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### Our Lady of the Rockies Tram: Marketing Plan and Ridership Estimates

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**Authors:** Sarah E. Harris, Norma P. Nickerson, Al Ellard

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## **EXECUTIVE SUMMARY**

This marketing plan and ridership estimation address the proposed project of constructing a tram up the front of the Continental Divide to the Our lady of the Rockies statue near Butte, Montana. The construction of the tram is evaluated for two different access scenarios:

- 1) Construction of an exit and entrance ramp on Interstate 15 providing a direct route to the tram.
- 2) No-direct Interstate access and utilizing the Frontage Road to reach the tram.

### **Purpose**

The purpose of this document is to estimate and project the potential number of riders for this tram over a ten-year period, while providing a five-year marketing plan. Thus, the first portion of the document is the marketing plan, without which the estimated ridership numbers are ineffectual. The second portion of the document provides estimated ridership for the tram while evaluating several criterions for those estimations. The remainder of this summary will address the ridership estimation portion of the document.

### **Ridership Estimate Methodology**

The criterions for estimating ridership include:

- ☐ the climate of Butte at the statue's location;
- ☐ regional market population estimations and projections;
- ☐ Butte residential ridership based on population and a resident survey conducted for this study;
- ☐ comparison of other tram operations throughout the United States and Canada;
- ☐ a profile of nonresident travelers through the Butte area, and;
- ☐ comparison of attendance at various Montana attractions.

Information on each criterion was gathered through the Internet, e-mail correspondence, phone conferences, and data collected by the Institute for Tourism and Recreation Research during nonresidential visitor surveys.

### **Results**

Ridership estimation was projected as pessimistic, realistic, and optimistic for both scenarios for year one and year ten. The Frontage Road Access Scenario would see the fewest number of riders because of the need to drive through town. Realistically, it is expected that 23,000 people would ride the tram in this scenario in the first year and increase to over 27,000 by the tenth year. The Interstate Ramp Access Scenario would be expected to have slightly over 36,000 riders in the first year. By the tenth year the number of riders would increase to nearly 40,000 people per year. Easy access off and on the interstate is the reason the numbers are higher in this scenario. The dollars contributed to the economy are greater in the Interstate Ramp Access Scenario.

### Frontage Road Access

Market	Pessimistic		Realistic		Optimistic	
	Year 1	Year 10	Year 1	Year 10	Year 1	Year 10
Butte Residents	4,683	4,683	9,365	9,365	10,446	10,446
Regional Residents	7,562	8,667	10,587	12,135	13,612	15,601
Nonresidents						
# overnight	1,153	2,372	1,920	3,772	3,743	6,177
# drive by	677	1,393	1,128	2,215	2,199	3,628
Total nonresidents	1,830	3,765	3,048	5,987	5,942	9,805
<b>Total Ridership</b>	<b>14,075</b>	<b>17,115</b>	<b>23,000</b>	<b>27,487</b>	<b>30,000</b>	<b>35,852</b>

### Frontage Road Access Dollars Contributed to the Community

Market	Pessimistic		Realistic		Optimistic	
	Year 1	Year 10*	Year 1	Year 10*	Year 1	Year 10*
Butte Residents	\$0	\$0	\$0	\$0	\$0	\$0
Regional Residents	\$0	\$0	\$ 0 - 80,745	\$0 - 92,551	\$0 - 207,632	\$0 - 237,971
Nonresidents						
# overnight	\$48,280	\$99,323	\$80,396	\$157,945	\$156,731	\$258,650
# drive by	\$11,121	\$22,883	\$18,530	\$36,386	\$36,123	\$59,597
<b>Total dollars</b>	<b>\$59,401</b>	<b>\$122,206</b>	<b>\$98,926</b> <b>to</b> <b>\$179,671</b>	<b>\$194,331</b> <b>to</b> <b>\$286,882</b>	<b>\$192,854</b> <b>to</b> <b>\$400,486</b>	<b>\$318,247</b> <b>to</b> <b>\$556,218</b>

\*Current year dollars

### Interstate Ramp Access

Market	Pessimistic		Realistic		Optimistic	
	Year 1	Year 10	Year 1	Year 10	Year 1	Year 10
Butte Residents	4,683	4,683	9,365	9,365	10,446	10,446
Regional Residents	7,562	8,667	10,587	12,135	13,612	15,601
Nonresidents						
# overnight	6,312	7,164	10,248	11,407	22,823	25,124
# drive by	3,707	4,208	6,018	6,700	13,404	14,756
Total nonresidents	10,019	11,372	16,266	18,107	36,227	39,880
<b>Total Ridership</b>	<b>22,264</b>	<b>24,722</b>	<b>36,218</b>	<b>39,607</b>	<b>60,285</b>	<b>65,927</b>

### Interstate Ramp Access Dollars contributed to the Community

Market	Pessimistic		Realistic		Optimistic	
	Year 1	Year 10*	Year 1	Year 10*	Year 1	Year 10*
Butte Residents	\$0	\$0	\$0	\$0	\$0	\$0
Regional Residents	\$0	\$0	\$0 - 53,292	\$0 - 61,084	\$0 - 103,816	\$0 - 118,985
Nonresidents						
# overnight	\$264,303	\$299,979	\$429,115	\$477,646	\$955,669	\$1,052,019
# drive by	\$15,224	\$17,281	\$49,428	\$55,030	\$165,140	\$181,796
<b>Total Ridership</b>	<b>\$279,527</b>	<b>\$317,260</b>	<b>\$478,544</b> <b>to</b> <b>\$531,836</b>	<b>\$532,676</b> <b>to</b> <b>\$593,760</b>	<b>\$1,120,809</b> <b>to</b> <b>\$1,224,625</b>	<b>\$1,233,815</b> <b>to</b> <b>\$1,352,800</b>

\*Current year dollars

### Conclusions

The ridership numbers and dollars contributed to the Butte economy related to tram riders are based on a tram ride costing \$10 or less and adherence to a well laid-out marketing plan. The interstate ramp access scenario will bring in more riders and more dollars to the economy than the frontage road access. The estimated riders for the tram are based on other trams, attendance at other Montana attractions, and support by the residents of Butte.

*Please refer to full text for details and further explanation*

# Acknowledgements

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## Overview

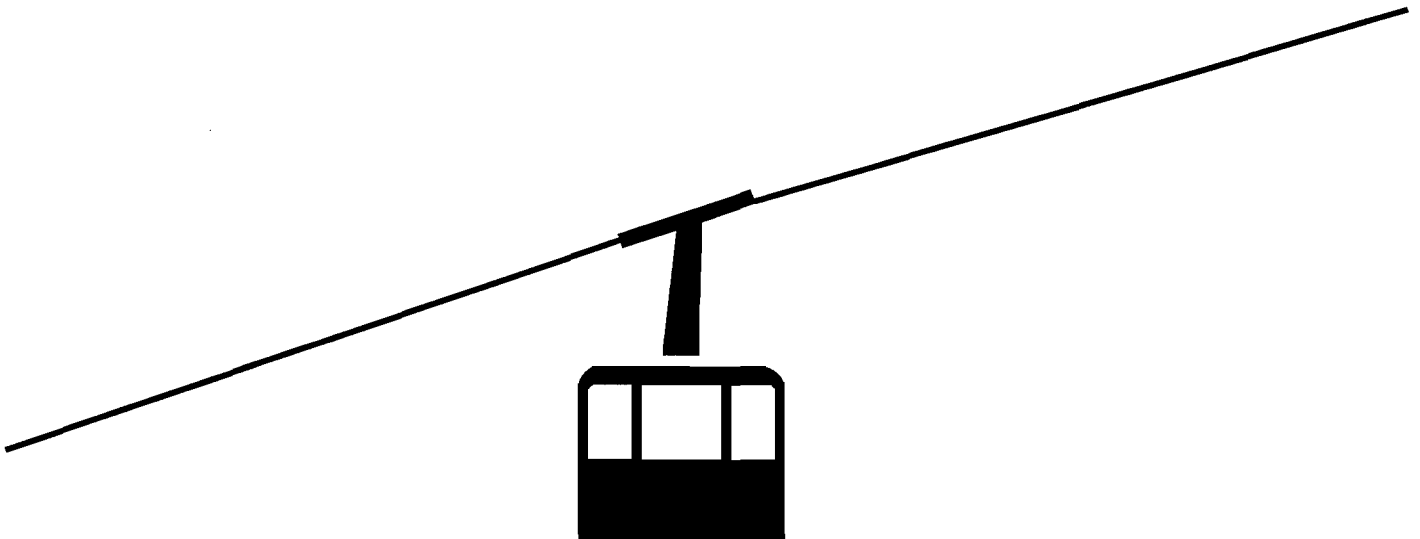
This document is presented in two parts.

### **PART 1:**

The first part of this document is a marketing plan for the tram project. The plan is set up for a 5-year period. Without a planned effort to market the tram, the numbers provided in the second section of this report cannot be obtained.

### **PART 2:**

The second part of the study provides ridership estimation for the tram in Butte, Montana. The purpose of the study was to estimate and project the potential numbers of people who would ride the tram over a 10-year period. An estimation of the number of riders is based on weather patterns, other trams, local and regional support, and traffic patterns at other Montana attractions. The estimation is presented for two scenarios. One scenario provides for an on-off ramp from I-15 directly to the base of the tram and frontage road access to Butte while the second scenario is based upon access to the tram through Butte and no direct on-off interstate access. The marketing plan was developed to attract the number of riders needed to achieve the realistic scenario of the estimated ridership numbers. Without the inclusion of the marketing plan, the estimated numbers of riders would not be attained.



# **Part One:** **Marketing Plan**



# **Part 1: The Marketing Plan**

## ***Introduction***

In 1985 a project that began as one man's vision of a tribute based upon a promise evolved into a 90-foot statue on the top of the Continental Divide looking over Butte, Montana. The statue was constructed entirely by volunteers using donated materials or materials that were sold to them at greatly reduced prices. This statue is in the likeness of Mary the Mother of Jesus and stands at an elevation of over 8,000 feet. Along with its rich mining history, the statue has become one of the identifying trademarks of Butte. The statue along with her associated non-profit foundation is named Our Lady of the Rockies (OLR).

Although the project began in 1979, the statue was not placed onto her mountain pedestal until 1985. Since that time, a chapel, memorial to women and mothers including a wall of plaques, and rows of memorial trees have been added to the site where the Our Lady of the Rockies statue stands. In addition, the road originally constructed to gain access to the statue is now utilized for bus tours. These bus tours are operated by the OLR foundation. Passage can be obtained at the OLR gift shop and information center at the entrance to the shopping mall on Harrison Avenue.

The OLR foundation is currently considering a proposed project to construct an aerial tram that would run from the base of the mountain up to the statue. This 5-year marketing plan was designed specifically to address the development of a tram and the marketing issues associated with such a project.

## ***Our Lady of the Rockies Foundation***

The OLR foundation is a non-profit group formed and maintained to oversee the continued maintenance and development of the OLR statue and all of the related activities associated with the statue. The foundation operates the site where the statue stands, and gift shop/information centers at two different locations in Butte. The first location is the small space allocated to the foundation at the entrance of the shopping mall on Harrison Avenue. The second location is on North Main in the downtown district, and is a much larger space in an old building that formerly housed a church.

While the foundation has proposed the project of constructing an aerial tram to the OLR statue, the members would like to maintain the current objectives of both the foundation and the statue. These objectives include but are not limited to:

- ◆ Promote the statue as a non-denominational entity.
- ◆ Continue to utilize volunteers to assist in every possible aspect of the current and future operations associated with the statue and foundation.
- ◆ Expand and maintain the memorial to women and especially mothers located at the base of the chapel.

- ◆ Provide a unique location for weddings and vow renewals at the chapel.
- ◆ Provide access to the statue and related activities on the site to as many people as possible.
- ◆ Return to the community any substantial profits that the foundation accrues from the tourism related activities with the statue.
- ◆ Remain and provide a positive symbol for both Butte and Montana.

All development and resulting marketing need to both address and adhere to these objectives. Therefore, this plan was designed with those objectives being the main priority and constraining factors.



## **Strengths, Weaknesses, Opportunities, and Threats of The Our Lady of the Rockies Statue, Foundation, and Proposed Tram**

### ***Internal Strengths and Weaknesses***

#### **Research and Development**

##### **Strengths:**

- The research on the cost and challenges of constructing the tram have been thorough; including working with highway officials, private citizens and groups regarding land parcels, and the several visits with the tram engineers and salesmen.

##### **Weaknesses:**

- Historical demographic data on people who visit the OLR mall site and take the bus trip is unavailable.
- Several sites are being considered for the tram base, however one decisive site has not been chosen. In addition, access to each of the base sites has been researched and discussed with necessary parties, but nothing definite has been confirmed on either of the tram base scenarios.
- The lack of a long range or strategic plan, which would guide all the development of the tram site has not been facilitated and written.



## Staff Expertise

### **Strengths:**

- There is an established base of volunteers with extensive knowledge of the OLR statue and foundation.
- Many of the Butte residents originally involved in the statue construction are still involved in the foundation and the tram project and this contributes to the institutional knowledge of the foundation.
- Members of the OLR board bring knowledge and expertise from varied professional backgrounds including business and construction practices.

### **Weaknesses:**

- There is a lack of cohesiveness among foundation members regarding the tram project and future developments to both the base of the tram and the site where the statue and chapel stand.
- Operating the tram will require full and part time employees and the OLR currently and historically has relied upon volunteer labor. Thus, a management framework and structure will need to be established along with policies and procedures for employees.

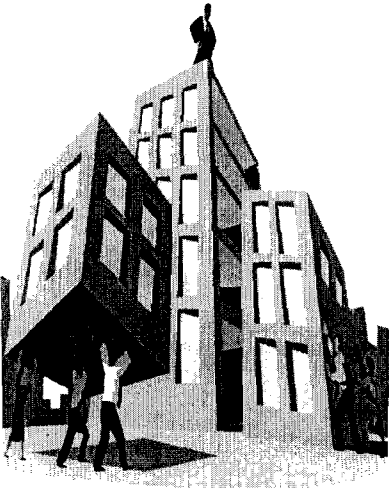
## Facilities

### **Strengths:**

- The OLR headquarters on North Main and the gift shop/information center at the shopping mall on Harrison Avenue are established locations to obtain information.
- The chapel on top of the mountain offers a unique setting for services such as weddings and vow renewals, in addition to housing the memorial.
- The two permanent restrooms near the statue on top of the mountain provide a much-needed service to visitors.

### **Weaknesses:**

- The locations at the mall and on North Main will not be within close proximity to the tram site. Therefore, a gift shop and information/interpretive center will need to be constructed at the tram location.
- There are currently no facilities at the top of the mountain for food/beverage concession(s).
- The chapel is not completed enough to be mass marketable as a place for weddings and vow renewals. The floor tile



has not been installed, patio chairs serve as the seating and will need to be replaced, the memorial at the base needs to be completed, and debris from construction will need to be cleaned up and removed.

- The tram project site includes both the mountaintop area where the statue stands and the area where the base of the tram would be constructed. Developments to the mountaintop are restricted by several factors including infrastructure necessities such as power, water, and sewage. The base developments are less restricted by infrastructure issues but are limited to the land parcel allotted for the tram base.
- The restroom facilities at the top have limited space and OLR has to bring up portable restrooms each summer. In addition, the permanent restrooms lack running water, light, and regular cleanings and touch-ups.
- The safety of the passengers and employees who will be riding and operating the tram will need to be a priority. The tram will need continued maintenance and repair. This requires the employment of qualified maintenance personnel as well as regular inspections of the entire operation.
- Tram safety arose as a concern from the Butte resident survey and is a serious consideration for many people.
- The experience of crossing the Continental Divide 12 times, and the stories told while taking the bus trip will be lost in a 7-minute tram ride.

## Financial Position

### Strengths:

- Money from donations and the bus tours have been able to sustain the foundation up until this point and will continue to serve a vital role in the tram project.
- The financing for the tram has been thoroughly researched and established by the OLR foundation.

### Weaknesses:

- The tram will have to generate enough financial income to support the upkeep of the facilities, the salaries of employees, and the payments on the loans used to finance the project.
- Financing for the highway ramps has been researched but not definitely established.
- The tram project is the largest financial project the foundation has ever proposed. A large capital investment such as this requires the organization to carefully consider the financial

impacts to both the foundation and the community of Butte. If the proposed tram is not marketed, priced, and developed properly the financial burden could devastate the OLR foundation.

## Product and Image

### Strengths:

- The opportunity to ride a tram up the Continental Divide is a special experience in itself.
- There is the unique experience of standing next to a 90-foot statue constructed entirely by Butte residents on top of the Continental Divide.
- The opportunity to exchange or renew vows in a mountain top chapel with a 360 degree view of the surrounding scenery offers a special wedding experience for the bride and groom and their families.
- The memorial to women and especially mothers that allows people to have deceased family member's names placed on a memorial wall is a rare chance for people to pay tribute to the women they love.
- The story of how the statue was conceived and then constructed which includes the footage of the statue being lifted into place is as important as the statue.
- The OLR is a non-profit organization. Therefore, any developments including the tram and the results of that project should reflect the integrity of a non-profit organization.

### Weaknesses:

- The religious symbolism associated and conveyed through current marketing and gift shop items could turn away potential riders who are offended by the symbolism or who feel uncomfortable with the religious association.
- Gift shop items are currently associated with the Catholic Church and will not appeal to every ethnic and cultural background. In addition, the products are currently targeted at a very narrow consumer market.
- One of the selling points for the tram would be the opportunity to be on top of the continental Divide, which for tourists traveling west on I-90 or south on I-15 is an experience they already had driving over the pass.

## Product Awareness

### **Strengths:**

- There is currently total awareness of the statue itself within the community of Butte and communities immediately surrounding Butte.
- There was an article placed on the CatholiCity website that resulted in some attention from people who visit that website.
- The attention derived from the construction of the tram could be utilized to tell the story of the statue and the foundation creating additional interest in the project. The story could be told both through media coverage and the Internet.

### **Weaknesses:**

- The awareness of the statue does not appear to extend very far past Butte and the surrounding communities.
- The statue is difficult to see due to its color and weather patterns in the Butte area.
- Travelers on Interstates 15 and 90 may see the statue but be unaware as to what it is.

## Other Strengths/Weaknesses

### **Strengths:**

- The OLR foundation has a good working relationship with local businesses and public officials.
- Based on the residential survey, Butte residents are aware of and support the statue and the proposed tram project.
- The foundation currently prints color brochures about the statue and places them in tourist locations throughout Butte.

### **Weaknesses:**

- The lack of direct access to USFS trails other than expert level hiking and biking makes marketing to those interested groups difficult. In addition, hikers and mountain bikers on the USFS lands already have ready access to these lands via roads on the opposite side of the mountain to the tram.
- Research and information on women and mother market, and wedding/vow renewal market is limited. Marketing to those groups would be challenging.

## ***External Opportunities and Threats***

### **Competitor Review**

Two types of competition could be considered. First, other trams operated in other areas of the country. In reality, however, the second type of competition is more important for the Butte tram project to consider. The second type of competition comes from other area/Montana attractions that compete for the nonresidents' travel dollars, and the residents' discretionary time and income. We focus our attention primarily on the second type of competition here. Interested readers are referred to the Appendix A for an overview of the marketing of trams in other areas of the country.

### **Opportunities:**

- The chapel provides a unique setting for weddings and vow renewals. Thus, the opportunity to market the wedding experience to Montana residents and possibly nonresidents exists.
- There is currently no other attraction in Montana or the surrounding states that offers an experience similar to the one that would be offered by the proposed Butte tram.
- Co-operative marketing with other well established Montana attractions would be an efficient way to attract riders. This includes other attractions in Butte such as the Copper King Mansion and the Mining Museum.
- The other attractions in Montana could benefit from the attention derived from the tram construction, and would therefore be interested in promoting the tram project.
- Opportunities to create vacation packages with other attractions could be explored. For instance, tourists could purchase a punch card that provides admission to several attractions for one price. This is a similar idea to the card sold by the National Park Service known as the Golden Eagle Card, which allows a family one-year's worth of admission to various parks for an initial fee.

### **Threats:**

- Tourists may have a limited budget of free time and monetary funds and these could be taken by other attractions along their route. For instance, tourists traveling west on I-90 may have already stopped at the Museum of the Rockies in Bozeman or the Lewis and Clark caverns, and tourists traveling east may have stopped at the Bison Range or Grant Kohrs Ranch. Travelers on I-15 may be pulled to the Gates of the Mountains instead of the tram.

- **Pricing of tram rides should be competitive with other Montana attractions and should not exceed the price range set forth by these other attractions. Too high of a price point will turn away visitors no matter how unique the experience.**

## Traffic Projections

### **Opportunities:**

- Current trends in traffic patterns show an annual increase of 2% in nonresident travelers through Montana.
- This annual increase of 2% creates a market of potential riders who have not ridden the tram before.

### **Threats:**

- If this annual increase drops, the number of potential new riders for the tram will suffer.
- If road repair and/or construction projects occur on either I-15 or I-90, it could be detrimental to tram ridership, because some people will not want to navigate through a construction zone in order to reach the tram.

## Other Stakeholders

Other stakeholders affected by the construction of a tram would include the residents of Butte, the local business owners in Butte, and private landowners who own the parcels surrounding the proposed tram site.

### **Opportunities:**

- The impacts to the other stakeholders could include increased economic benefit from the construction and operation of the tram. These impacts could take the form of increased business for local gas stations, gift shops, restaurants, and hotels in Butte. The Mining Museum, Copper King Mansion, and the Dumas House could also experience an increase in visitors if tram riders decide to spend some time in Butte.

### **Threats:**

- The aesthetic value of the mountain face will change with the construction of a tram. Although the tram may only affect a portion of the mountain view from the city of Butte, it will still have an impact.



During the resident survey conducted for the ridership study, concerns arose about the extent of changes that would occur to the mountain face.

- There are several potential environmental impacts from the tram operation. The mountain will need to be blasted and drilled in order to construct and support the tram and the towers that support the tram cables. The construction of a restaurant, gift shop, and interpretive center will require utilities and sewage be installed at least at the base of the tram, but could potentially need to be installed on the mountaintop as well. There will also be impacts to the mountaintop from an increased number of people at the top of the mountain, which could disturb the fauna and flora of that area. Finally, there is the potential to increase traffic on the already congested Harrison Avenue strip, which will create safety and pollution hazards from vehicles. This increased traffic flow could also prevent locals from utilizing that road due to the congestion, which could hurt the businesses on Harrison including the shopping mall.
- A tram construction and the subsequent attraction of visitors might affect recreational values of the mountain to Butte and surrounding area residents. Current local recreation users may choose to go elsewhere because of the increase of cars and people to the area.

#### ***Prioritization of the Strength, Weaknesses, Opportunities, and Threats Findings: Internal and External***

- The proposed tram would be a unique opportunity for visitors.
- The story of the statue and the foundation are a key component of the experience.
- The historical knowledge possessed by many of the foundation members, including those that have been with the project since the beginning, is important to record and maintain.
- Co-operative marketing with other Montana attractions is crucial to attracting visitors to the proposed tram.
- Revision of the foundation website is necessary prior to engaging in a major development such as the tram project.
- The future of the foundation and its public image will need to be reviewed and decided upon prior to deciding if the tram project is feasible.
- The financial obligation of the proposed tram is the largest one the foundation has ever undertaken. Therefore, the need to operate an attraction that generates substantial funds changes the current structure under which the foundation operates.
- Vehicle estimates from the Montana Department of Transportation and surveys done by the Institute for Tourism and Recreation Research indicate a large volume of travelers pass through the Butte area. Thus, a large potential market exists.

## Customer Review

Designing an effective marketing plan requires a thorough understanding of the various types of customers who would ride the tram, and the various reasons for riding. Table 1 provides an overview of the various customer groups, why they would ride the tram, desired amenities each group would expect, and potential concerns.

**Table 1: Customer Review**

<b>Target Market</b>	<b>What Tram Offers</b>	<b>Related/Desired Amenities</b>	<b>Potential Concerns</b>
Family/ Friends	<ul style="list-style-type: none"> <li>★ View</li> <li>★ Memorial to Women/Mothers</li> <li>★ Tram Ride</li> </ul>	<ul style="list-style-type: none"> <li>▶ Restaurant</li> <li>▶ Restrooms</li> <li>▶ Gift Shop</li> <li>▶ Mining education displays</li> <li>▶ Education/ Interpretive Displays on statue and tram</li> </ul>	<ul style="list-style-type: none"> <li>➔ Price</li> <li>➔ Activities for children</li> <li>➔ Safety</li> </ul>
History Buffs	<ul style="list-style-type: none"> <li>★ Mining Viewing</li> <li>★ Butte History</li> <li>★ Montana History</li> <li>★ History of the American West</li> </ul>	<ul style="list-style-type: none"> <li>▶ Mining interpretation displays</li> <li>▶ Displays/handouts explaining Berkeley Pit</li> <li>▶ Story of the statue</li> <li>▶ Educational display of Butte history</li> <li>▶ Photographs of Butte before mining</li> <li>▶ Mineral display</li> </ul>	<ul style="list-style-type: none"> <li>➔ Religious overtone to the statue</li> <li>➔ Historical accuracy</li> <li>➔ Safety</li> </ul>
Hang-gliders	<ul style="list-style-type: none"> <li>★ View</li> <li>★ Quick access to launch site</li> </ul>	<ul style="list-style-type: none"> <li>▶ Restrooms</li> <li>▶ Rack for hanggliders on tram</li> </ul>	<ul style="list-style-type: none"> <li>➔ Safety</li> <li>➔ Discounted price for multiple trips</li> </ul>

**Table 1: Customer Review Continued**

<b>Target Market</b>	<b>What Tram Offers</b>	<b>Related/Desired Amenities</b>	<b>Potential Concerns</b>
Wedding	<ul style="list-style-type: none"> <li>✱ Chapel</li> <li>✱ View</li> <li>✱ Vow renewals</li> </ul>	<ul style="list-style-type: none"> <li>▶ Discounted group rate</li> <li>▶ Nearby reception facilities</li> <li>▶ Wedding coordinator</li> <li>▶ Privacy</li> <li>▶ Non-denominational facilities</li> </ul>	<ul style="list-style-type: none"> <li>➔ Catholic symbolism of the statue</li> <li>➔ No facilities for a reception at the tram/statue location</li> <li>➔ Large wedding party fitting into the chapel</li> <li>➔ Other tram riders interfering with privacy</li> </ul>
Hiking/ Biking	<ul style="list-style-type: none"> <li>✱ Access</li> <li>✱ Delmoe Lake</li> <li>✱ USFS and BLM lands</li> </ul>	<ul style="list-style-type: none"> <li>▶ Developed trails</li> <li>▶ Maps of trails</li> <li>▶ Bike rack on tram</li> </ul>	<ul style="list-style-type: none"> <li>➔ Lack of developed trails to the USFS and BLM lands</li> <li>➔ Price</li> <li>➔ Crowded areas</li> </ul>
Religious	<ul style="list-style-type: none"> <li>✱ “Mary Mother of Jesus” Statue</li> <li>✱ See statue up close</li> <li>✱ Memorial to Women and Mothers</li> </ul>	<ul style="list-style-type: none"> <li>▶ Story of why the statue is in the likeness of Mary</li> <li>▶ Educational display/handouts on history and construction of the statue</li> <li>▶ Chance to place a rosary inside the statue</li> <li>▶ Opportunity to pray in the chapel</li> </ul>	<ul style="list-style-type: none"> <li>➔ Non-religious visitors interfering with their experience</li> <li>➔ Safety</li> <li>➔ Defamation to the symbolism attached with a statue of Mary</li> </ul>

## **Customer Review:**

### **Opportunities:**

- The wide variety of experiences the tram can offer allows for the attraction of a vast consumer base, the demographics of which could be any age group, religious background, physical fitness level, and traveling group type.
- During months of low nonresident tourism traffic, the tram could be more heavily marketed to the local consumers.
- The placing of a loved-one's name on the memorial wall or the purchase of a living memorial could bring visitors back for return trips to see the memorial.
- The potential wedding and vow renewal opportunities could also attract repeat visitors who want to re-visit the site for personal significance.

### **Threats:**

- People may ride the tram once and never return, especially after the novelty of the tram wears off. Therefore, the attraction should continually be improved and developed while the marketing of those attractions should be continually reviewed and updated.



## ***Profile of Potential Tram Riders***

The proposed tram site and the city of Butte are located at the crossing of Interstates 15 and 90 which presents a unique opportunity to draw tourists off of both Interstates. Therefore, analysis of the nonresidential traffic patterns is an essential piece to the potential ridership of the Butte tram.

A special analysis of data collection by the Institute for Tourism and Recreation Research for nonresident visitors to Montana was conducted on people who drove through and/or stayed overnight in Butte (see Institute for Tourism and Recreation Research Report #51, [www.Forestry.umt.edu/itr](http://www.Forestry.umt.edu/itr) for all Montana visitors).

The data used for this analysis came from a survey of nonresidents at gas stations, rest stops, and airports conducted by the Institute for Tourism and Recreation Research. Of the 4,335 respondents who drew their travel route on the map included with the questionnaire, 33% drove through Butte and 6% stayed overnight in Butte. The average group size of those surveyed was 2.6 for those who drove through Butte and 2.7 for those who stayed in Butte.

The following is a profile of nonresident visitors who drove through and/or stayed in Butte. These characteristics represent Montana descriptors. For example, on recreation participation, which is the last table, of the people who stayed in Butte, 40 percent would watch wildlife while in Montana.

Of the respondents that reported staying the night in Butte 80% spent only one night, 10% spent two nights, and 10% spent more than two nights in Butte.

The majority of Respondents who stay in Butte report 6 states/provinces as their place of residence:

- ◆ Washington
- ◆ California
- ◆ Colorado
- ◆ Minnesota
- ◆ Alberta, Canada
- ◆ Oregon

Table 2: Characteristics of Nonresident Visitors to the Butte Area

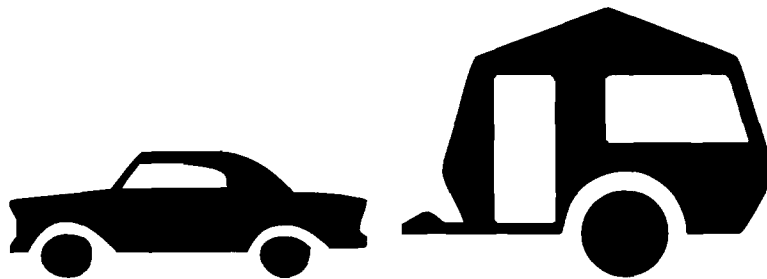
<b>Attraction of Montana as Vacation Destination</b>	<b>Stayed in Butte</b>	<b>Drove Through</b>
Yellowstone National Park	26%	20%
Glacier National Park	21%	36%
Mountains	10%	14%
<b>Type of Traveling Group</b>	<b>Stayed in Butte</b>	<b>Drove Through</b>
Couple	34%	40%
Family	39%	36%
Alone	17%	15%
Friends	6%	7%
Family and Friends	3%	2%
Business Associates	2%	0.4%
<b>Purpose of Trip to Montana</b>	<b>Stayed in Butte</b>	<b>Drove Through</b>
Vacation	45%	44%
Passing Through	30%	31%
Visit Family/Friends	14%	16%
Business	7%	4%
<b>Flexibility of Plans</b>	<b>Stayed in Butte</b>	<b>Drove Through</b>
All planned ahead	20%	18%
Most planned ahead	23%	27%
Some place, flexible	22%	18%
Few places, quite flexible	22%	22%
No plans, very flexible	13%	15%
<b>Sources of Information Used Prior to Visiting Montana</b>	<b>Stayed in Butte</b>	<b>Drove Through</b>
None of the sources	34%	37%
AAA	37%	35%
Travel Guide Book	23%	23%
National Park Brochures	16%	19%
Montana Travel Planner	11%	14%
1-800 State Travel Number	9%	8%

Information from private business	8%	8%		
Chamber or Visitor Bureau	8%	7%		
Internet Travel Information	6%	5%		
<b>Most Useful Sources of Information Used Prior to Visiting Montana</b>	<b>Stayed in Butte</b>	<b>Drove Through</b>		
AAA	44%	43%		
Travel Guide Book	19%	18%		
Information from private business	9%	5%		
Chamber or Visitor Bureau	7%	5%		
Montana Travel Planner	7%	11%		
1-800 State Travel Number	7%	4%		
National Park Brochures	4%	10%		
<b>Sources of Information used while in Montana</b>	<b>Stayed in Butte</b>	<b>Drove Through</b>		
Person in Motel, Gas Station, Restaurant	41%	37%		
Highway Information Signs	40%	42%		
Brochure Rack	36%	34%		
Person in Visitor Information Center	30%	29%		
None of the sources	18%	22%		
Other	18%	17%		
Business Billboards	12%	14%		
<b>Most Helpful Sources of Information used while in Montana</b>	<b>Stayed in Butte</b>	<b>Drove Through</b>		
Person in Motel, Gas Station, Restaurant	23%	20%		
Highway Information Signs	22%	25%		
Person in Visitor Information Center	21%	21%		
Brochure Rack	18%	14%		
Other	15%	18%		
Billboards	1%	3%		
<b>Recreation Activity Participation</b>	<b>Stayed in Butte</b>	<b>Drove Through</b>		
Wildlife watching	40%	47%		
Historic/interpretive sites	39%	29%		
Recreational shopping	33%	29%		
Visiting museums	28%	22%		
Nature photography	27%	35%		
Visiting family/friends	27%	37%		
Day hiking	27%	33%		
<b>Age Ranges of Visitors</b>	<b>Stayed in Butte</b>	<b>Drove Through</b>		
	<u>Males:</u>	<u>Females:</u>	<u>Males:</u>	<u>Females:</u>
0-17	23%	19%	19%	19%
18-29	9%	8%	12%	8%
30-49	27%	32%	29%	32%
50-64	22%	25%	25%	25%
65+	20%	15%	15%	15%

### ***Summary of the Potential Nonresident Tram Rider Data***

The previous tables detail data collected from the surveys conducted by the Institute for Tourism and Recreation Research, the University of Montana. This information was designed to help Montana businesses understand the travelers through Montana. The following is a summary of information from the previous tables pertinent to nonresidents in the Butte area.

- ➔ Close to half of the nonresident travelers through Butte visit either Yellowstone or Glacier National Parks.
- ➔ The majority of travelers are couples or families.
- ➔ Almost half of the travelers through the Butte area are on vacation and have some flexibility in their travel plans.
- ➔ If an information source was used prior to their trip, most people used AAA. In addition, travelers find the AAA to be the most useful source of information.
- ➔ While travelers are in Montana they rely on employees in motels, gas stations, and restaurants for information.
- ➔ People who visit Montana and come through Butte are looking for wildlife watching, historic sites, and recreational shopping.



## Targeting Strategies

### Customer Analysis

There is currently very limited information on the demographics of the visitors to the statue via the bus trip. Therefore, the information available on travelers through the area of Butte on Interstates 15 and 90 comes from the surveys conducted by the Institute for Tourism and Recreation Research, the University of Montana.

### Target Group:

#### Nonresident



Family Vacationers



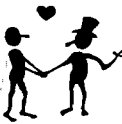
Tour Groups



Yellowstone/Glacier Park Visitors



Hiking Enthusiasts



Married Couples  
seeking to renew  
their vows



Religious Pilgrimage Seekers

### Target Group:

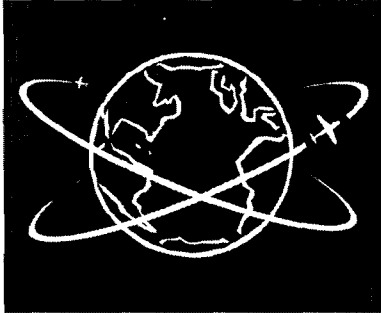
#### Resident

- ★ Households with visiting family and friends
- ★ Engaged Couples
- ★ Married Couples seeking to re-new vows
- ★ Religious Pilgrimage Seekers
- ★ Hanggliders



## ***Global Strategy***

To attract international travelers the OLR website should be made available internationally and be kept current to detail the history of the statue and reveal the progress of the tram operation. Therefore, the website should contain the following:



- A chronological history of the statue and the chapel.
- Up-to-date pictures and images of the tram construction and subsequent operation.
- A description of the activities available at the tram site and on top of the mountain.
- A listing of other attractions in Butte, which should also include facilities like hotels and local restaurants.
- A place to register for memorials and donations.

## ***Positioning Strategy***

Riders should expect a safe trip up the face of the mountain to gain a closer perspective on just how much effort was involved in the construction of the statue.

Positioning of the tram should be relative to the rider. Therefore, all religious backgrounds, age ranges, and physical abilities should expect an experience they can enjoy.

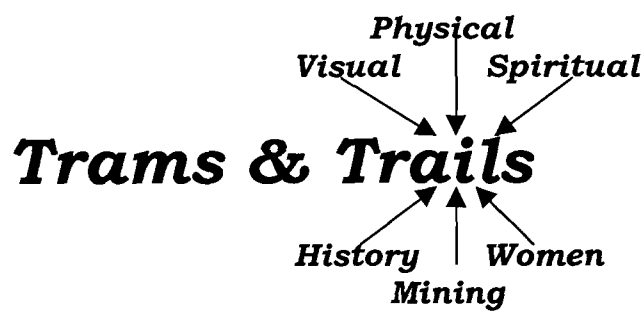
## ***Sales Objectives***


- The analysis in Part 2: Tram Study details the number of riders at three different levels the pessimistic, realistic, and optimistic.
- If the OLR just wants to meet the minimum sales objective then the pessimistic estimation would be sufficient. However, if the OLR wants to meet a more reasonable expectation they should target a sales objective that reaches the realistic ridership estimation. Finally, if the OLR wants to excel above either of these objectives the optimistic estimation should be the goal.
- The foundation will need to decide the price point that will be charged and then determine the number of riders needed to financially sustain a tram operation.

## **Slogan**

A slogan is designed to capture the attention of each market group. Therefore, it should not have a strong connotation that associates it with one singular group. For example, a slogan that appealed only to the religious pilgrimage seekers would either miss or could offend members of other market groups. In addition, the slogan should be short, simple, and easy to remember. The following are examples of potential slogans for the tram that meet all of these requirements.

*“Highway to the Sky”*



*BU*  *TE*

### **Advertising Objective and Strategies**

**Objective:** To increase image, knowledge, awareness, and position.

**Strategies:** The following table details the advertising strategies.

**Table 3: Advertising Strategies**

<b>Marketing Tool</b>	<b>Current</b>	<b>Proposed</b>
Website	<ul style="list-style-type: none"> <li>➔ OLR website with photo of the statue</li> <li>➔ Extremely slow to download</li> <li>➔ Portions of the site are not completed</li> <li>➔ No links</li> <li>➔ Strong religious symbolism</li> <li>➔ The only way to access the website is to specifically search for "Our Lady of the Rockies" which restricts the hits on the website to people who are already familiar with the statue</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Download faster</li> <li>⇒ Include tram information</li> <li>⇒ Downplay religious symbolism</li> <li>⇒ Up-to-the minute photos of views from the tram</li> <li>⇒ Reciprocal links with other Montana websites</li> <li>⇒ Story of statue construction and photos of the process</li> <li>⇒ Hotel and restaurant listings for Butte</li> <li>⇒ Links to other attractions in Butte</li> <li>⇒ A "counter" to keep track of the number of hits to the website</li> </ul>
Signs	<ul style="list-style-type: none"> <li>➔ None</li> </ul>	<ul style="list-style-type: none"> <li>⇒ In Butte directing traffic to tram</li> <li>⇒ On I-90 and I-15 directing traffic to tram</li> </ul>
Billboards	<ul style="list-style-type: none"> <li>➔ None</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Place billboard on I-90 and one on I-15</li> </ul>
Radio	<ul style="list-style-type: none"> <li>➔ None</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Use for local markets in Missoula, Bozeman, Helena, and Butte</li> </ul>
Newspaper	<ul style="list-style-type: none"> <li>➔ Butte area papers</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Use for local markets in Missoula, Bozeman, Helena, and Butte</li> </ul>
Television	<ul style="list-style-type: none"> <li>➔ None</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Use for local markets in Missoula, Bozeman, Helena, and Butte</li> </ul>
Brochure	<ul style="list-style-type: none"> <li>➔ Primarily used in Western Montana</li> <li>➔ Solicits donations and memorials</li> <li>➔ Strong religious overtone</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Hire professional brochure service to update the brochure and distribute to outlets</li> </ul>

## Personal Selling

The following table details the **personal selling techniques** that the OLR is currently and could potentially use to promote the tram.

The execution of any selling practices requires a **professional employee** to do so.

**Table 4: Personal Selling**

Target Organization	Type of Market Group	Strategy
Hotels, Gas Stations, Restaurants on I-90 and I-15	* Travelers on I-90 and I-15 with some flexibility in their travel plans	* Invite employees and owners from these establishment to ride the tram free each year
AAA	* Road Trip Planners	* Contact AAA and promote the tram as a place for people traveling by vehicle in Montana * Contact both local and national AAA offices * Apply for AAA endorsement
Cooperative Marketing with other Montana Attractions	* People who visit other attractions in Butte and/or along Interstates 90 and 15	* Work together with other attractions such as Lewis and Clark Caverns or Gates of the Mountain * Could create special coupons, rates, passes for people who visit each attraction * Sell tickets for other attractions in a reciprocal relationship * Become actively involved in the regional travel marketing group, Gold West Country, so the tram is always highlighted * Work with Travel Montana to promote the tram in their literature
Magazine Writers	* Women's magazines such as: <i>Women's Day</i> and <i>Good Housekeeping</i>	* Host familiarization tours of media to write articles for the May issues
Tour Bus Operators	* Tour Groups	* Attend National Tour Association to convince tour buses to stop at tram

## **Marketing Communications**

### Consumer Promotion

- Increase the number of visitors to the statue.
  - Offer discount coupons along with the brochures that assist with family or group prices.
  - Work with other attractions in Butte to create a pass that allows visitors entrance into each facility.
  - Cooperate with other Montana attractions to offer discounts to visitors. For example, distribute special discount coupons only available to people who visit the Museum of the Rockies first.
  - “Two for one” coupons on special days like Mothers’ Day and the 4<sup>th</sup> of July.

### Public Relations Objective and Tactics

#### Objective:

To maintain the integrity of the foundation as a non-profit organization that benefits the community of Butte and Montana.

#### Tactics:

The following table outlines the suggested public relations tactics.



**Table 5: Public Relations**

<b>Public Relations Method</b>	<b>Target Group</b>	<b>Strategy</b>
Politicians (Governor, Mayors, Representatives, etc.)	<ul style="list-style-type: none"> <li>★ Government Officials</li> <li>★ Constituents of the officials</li> </ul>	<ul style="list-style-type: none"> <li>★ Have a grand opening of the tram and invite local politicians to take the first ride</li> <li>★ Promote the tram as good for western Montana by convincing the politicians it is</li> </ul>
News Releases	<ul style="list-style-type: none"> <li>★ Women and Mothers</li> <li>★ Residents of Montana responsive to local/human interest stories</li> </ul>	<ul style="list-style-type: none"> <li>★ Contact local journalists to do stories covering the construction of the tram and why the organization is viable</li> <li>★ Promote the memorial to women and mothers by welcoming new names for the wall</li> <li>★ Promote the memorial to women and mothers by contacting and inviting media to ride the tram on Mothers' Day</li> </ul>
Interpretive Displays	<ul style="list-style-type: none"> <li>★ Visitors to the tram who do not know about what the OLR and the statue are about</li> </ul>	<ul style="list-style-type: none"> <li>★ Place displays at both OLR visitor centers and the future tram center to explain the OLR's mission and vision and why they constructed a tram.</li> </ul>
CatoliCity	<ul style="list-style-type: none"> <li>★ Religious Pilgrimage seekers</li> </ul>	<ul style="list-style-type: none"> <li>★ Contact CatholiCity and invite representatives to ride the tram and write about their experience on their website and in CatholiCity publications</li> </ul>

### ***Customer Satisfaction Assessment***

- To find out visitor responses and experiences.
  - Place comment cards at the tram visitor center and the gift shop.
  - Create a place on the website for people to send their comments and questions to the OLR foundation.
  - Conduct yearly visitor studies to assess satisfaction, improvement needs, effectiveness of advertising, and to identify characteristics of each Target market.

## **Pricing**

- Pricing should be evaluated both by other Montana attractions and by other tram operations.
- Special group pricing should be established for wedding parties or other large groups.
- Price increases should not exceed those made by other Montana attractions.
- Downtown Butte stores and the OLR visitor center could sell discounted tickets/passes for the tram so residents would be able to pay a special rate.
- Punch cards could be sold allowing people to purchase multiple rides for one price.
- "Ride-n-dine" passes could be sold that charge one price for riding the tram and a meal in the restaurant.

**Table 6: Pricing at Montana Attractions**

<b>Attraction</b>	<b>Admission Price</b>
Rocky Mountain Elk Foundation	★ Free Admittance to the Visitor's Center
Bainville Pioneer Museum	★ Donations are accepted
Grant Kohrs Ranch	★ May through Sept. its \$2/adult or \$4/vehicle ★ the remainder of the year its Free
National Bison Range	★ \$4/vehicle
Little Big Horn Battlefield	★ \$6.00/vehicle ★ \$3.00/pedestrian
Mining Museum	★ Adults are \$4.00 ★ Children under 12 are Free
Copper King Mansion	★ Adults are \$5.00 ★ Children are \$3.50 ★ Group rates are available
Museum of the Rockies	★ Adults are \$6.00 ★ Children are \$4.00
Lewis and Clark Caverns	★ Adults are \$7.00 ★ Children 6-11 are \$3.00 ★ Group rates range from \$3.00-\$5.50
Old Prison Museum	★ Adults are \$7.95 ★ Children 10-15 are \$4.00 ★ Children 7-9 are \$1.00 ★ Children under 7 are Free ★ Seniors are \$7.00
Gates of the Mountain	★ Adults are \$8.50

## **Pricing Summary**

If the tram charges \$10 per adult rider it will be a significantly higher price point than other attractions in western Montana. Therefore, careful consideration of pricing should be considered.

## **Marketing Budget**

Marketing is an essential part of attaining sustainable ridership numbers. Therefore, the budget needed by the OLR for the proposed tram needs to be addressed.

Palm Springs has an annual attendance of 380,000 riders. The budget for print, television, and radio ads is \$600,000 annually. Thus, the Palm Springs tram spends at least \$1.79 per rider on marketing each year.

It is recommended that the Butte tram consider a similar budget of at least \$1.50 per rider per year.

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## **Conclusion**

- ▶ The tram is the largest project the OLR foundation has undertaken. It will be a costly investment for both the foundation and the community of Butte.
- ▶ Current advertising strategies will not support the tram.
- ▶ To make the tram a successful operation an aggressive marketing stance will need to be maintained by the OLR foundation. This will require the hiring of a professional marketing individual or firm to orchestrate the marketing of the tram operation.

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## **Mountain-Top and Base Development Suggestions**

The following suggestions are based upon the research conducted on other tram operations and from the expertise of the authors of this document.

It is recommended that for each suggestion a professional be consulted to assist in the development, design, implementation, and operation.

In addition, the OLR foundation should carefully consider how to proceed with every phase of development. The religious symbolism attached to the statue and its history are currently the focus of the OLR foundation including the items offered for sale at the foundation's two gift shops. Current activities and practices such as handing out free rosaries to visitors creates a distinct impression that the statue is a symbol of the Catholic Church. This will offend or turn away potential riders who do not feel an association or attachment with Catholicism. Therefore, if a tram project and the pursuing developments are part of the OLR's future, then some poignant decisions will have to be made in



regards to how the OLR wants the statue and the foundation to be perceived. As it stands, the statue is distinctly linked to the Catholic Church.

## **Landscape**

The site where the statue and chapel stand could be landscaped to allow visitors places to relax, picnic, and enjoy the natural scenery of the area.

The mountaintop currently has some landscaping in the form of memorial trees. These trees require continued maintenance and replacement to keep them thriving. In addition, the area around the trees could be landscaped to make a more striking and pleasant visual presentation.

There are structures between the statue and the chapel that are not in-line with the visual characteristics of the experience. These structures need to be removed, replaced, or hidden from public view.

## **Restrooms**

The mountaintop currently has a semi-permanent restroom facility and additional portable facilities are brought up each summer. The semi-permanent facilities need to be cleaned and maintained regularly. The addition of hand sanitizers that do not require water, such as Purel dispensers, would be a welcomed addition to these facilities.

If the tram is constructed, these restrooms will no longer be adequate. New facilities would need to be added at both the mountaintop and the base.

## **Tour Guides**

Tour guides could be utilized at the statue and chapel to explain the story of the Lady, and to add color to the experience. The ideal guides would be people who reside in Butte and have some sort of personal attachment or history with the statue

## **Restaurant**

The results of collecting information from other tram operations revealed that a good quality restaurant is among the key pieces to operating a successful tram. Therefore, it is recommended that an eatery be included in the tram operation. At a minimum a base level restaurant should be built. However, it is recommended that long-range plans include the addition of a restaurant to the top of the mountain as well.

Ideally local food selections such as pasties could be offered. This would allow the visitor the total experience of visiting a mining town and dining on food selections that miners ate down in the shafts. The story of the pastie could be displayed for visitors to see and understand.

## **Quarter Viewers**

There is currently a telescope donated to OLR that is brought out by bus drivers and operated at no extra charge to visitors. It is recommended that with the tram construction this becomes a coin operated service.

The addition of two or three high quality viewers that charge a quarter for a long distance view would provide another source of income for the tram. A viewer or two could be placed at the base of the tram as well as the mountaintop providing excellent views from each perspective.

## **Hiking Trails**

The United States Forest Service does have a proposal in place to include the area occupied by the statue as part of the Continental Divide trail. However, it does not appear that the proposal will be complete within the next five years. Therefore, to promote hiking as a selling point for the tram, trails should be developed and maintained. Of particular interest at the mountaintop is Delmoe Lake, and a trail to the lake would be a great addition to the tram amenities.

## **Interpretation Display**

A display that explains what the Berkeley Pit is, what they are mining for, and the chronological history of the Pit should be placed at the base of the tram. Preferably, this display could face the mining operation and allow visitors to directly view what they are learning about. In addition, the display should show pictures and tell the story of what once was the Columbia Gardens. This could then be used to promote the construction of the new carousel.

## **Educational Center**

This is where the rider learns about why and how the statue was constructed. The center should appeal to all ages, so displays where children can interact or have a hands on experience should be included. The educational center should incorporate visual, audio, and touchable displays to share the story with visitors.

## **Gift Shop/Retail Sales**

Current items in the gift shop are designed to appeal to visitors who have a strong religious background. Although these items may remain in the tram gift shop, they should not be the sole focus of the items sold. The purchasing and merchandising of gift items should appeal to a wide variety of tastes and age ranges.

In addition to carrying merchandise related to the statue, the shop could feature items related to mining and to the history of Butte and Montana.

It is also recommended that the person responsible for the gift shop design visit and interview owners or employees of other successful gift shops in western Montana. The candy shop in Virginia City, the gift shop in the Old Faithful Lodge in Yellowstone, and the small gift shop at the St. Ignatious Church all represent well thought-out and managed retail operations.

If the gift shop is well planned and operated it could contribute significant revenues to the foundation and help support the tram operation.

### **The Chapel**

The chapel should be open to all riders. In addition, a display could be set up either at the base of the tram or at the chapel showing the wedding photos of couples who exchanged their vows there. A similar display could be set up for couples that re-new their vows at the chapel. This display could include sections such as “The 25 Club” and “the 50 Club” to delineate couples that have been married that many years and re-newed their vows at the chapel.

### **The Memorial**

The memorial should be explained to each visitor. Also, the opportunity to place a loved-one’s name on the memorial should be made known and available to visitors. This could be done through small displays with registration forms in the educational center, gift shop, and the chapel.

# **Part Two:**

# **Ridership Study and Estimation**

## **Part 2: Tram Ridership Estimate**

### ***Introduction***

In 1985, The Our Lady of the Rockies Foundation, Inc. (OLR) placed a 90-foot, 80 ton statue in the likeness of Mary the mother of Jesus about 3,000 feet above Butte, Montana on the Continental Divide at an elevation of over 8,000 feet. In 1996 they began to construct a chapel and observatory on a site adjacent to the statue. The chapel is currently near completion. In addition to serving as a chapel for weddings and vow renewals, the chapel also serves as a memorial to women and mothers. Plaques are placed around the base of the chapel for any women who have passed away and were Butte residents. People can also request the name of a loved one to be placed on a plaque even if she never resided in Butte. There is also a series of memorial trees that were planted along the road from the statue to the chapel for women whose families made a contribution to the foundation in their name.

The site where the statue and the chapel stand is located within close proximity to 900 miles of existing trails on United States Forest Service (USFS) and Bureau of Land Management (BLM) land. Although they already exist, these trails do not currently connect directly to the statue site. However, plans are under consideration to place the Continental Divide trail directly in line with the site of the statue and the chapel. Until this trail development occurs, access to the USFS and BLM lands will be via undeveloped trails and a series of roads currently utilized by off road vehicles.

The site of the statue and the chapel are currently accessible via a road that traverses up the mountain. It is a private road and public access is restricted. Therefore, the only way for the public to reach the site is by taking one of the organization's bus trips. Passage on one of these bus trips can be purchased at the OLR's gift shop and information center located at the entrance of the shopping mall on Harrison Avenue.

OLR has proposed to build a tram ascending the front of the mountain directly accessing the site of the statue and the chapel. The tram is estimated to take 7 minutes from base to top. This proposed tram would both shorten the time it takes to reach the statue, and make the experience accessible to people who would otherwise be unable to make the trip due to physical or logistical restrictions. The tram would also increase people's access to the Continental Divide and the public lands adjacent to the statue site.

This study was commissioned to explore the potential markets for the proposed tram development and to estimate the potential number of riders on the OLR tram for two scenarios. The first scenario being the construction of an inter-change access to the tram base from Interstate 15. The base being constructed on either the land named Lone Star which is owned by the Montana Economic Revitalization and Development Institute or

MERDI, or the land owned by the OLR referred to as the Quaker City parcel. Each of these landing sites would require access from Interstate 15 and OLR has proposed construction of an entrance and an exit ramp near the location of these two land parcels. The other scenario is to build the tram with no direct interchange access.

To obtain and provide a 10-year estimation of the number of potential riders for each scenario, several elements regarding the project had to be researched and examined. The first priority for visitor estimation was to research the likely number of rider days available in a given year. Weather patterns for the Butte area were collected from the Western Regional Climate Center in order to determine the months where the concentration of riders would be most likely to occur. The second step was to estimate the local support and potential riders from Butte. Third, the regional Montana population changes were analyzed for ridership. Fourth, an analysis and comparison of similar trams in North America was completed, and finally, the ratio of highway traffic to attendance at other Montana attractions was taken into account for estimating ridership on the Butte Tram.

In addition to the estimation of the number of riders, a 5-year marketing plan was completed as part of this study. The purpose being to analyze current marketing needs and potential as well as suggesting possible future projects and development strategies with regards to the tram project while maintaining the original mission and values of the Our Lady of the Rockies Foundation.

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### ***Climate and Weather Impacts on Operation***

The potential for year-round operation of the tram is constrained by temperature and snowfall, both of which will affect visitors' decisions to ride the tram.

#### **Methodology:**

Climate and weather information was gathered from both the National Weather Service and The Western Region Climate Center. Information from these sources was collected through phone interviews and by utilizing the data located within the website of each agency. Mike Heard formerly the weatherman at the KXLN news station in Butte, and now the weatherman in Missoula was contacted by phone. In telephone conference with Kelly Redmond of the Western Region Climate Center, snowfall and temperatures at the top of the Divide where the Lady stands were calculated from data collected at the Butte Airport weather station. According to Redmond, for every 1,000 feet of elevation gain there is a drop in temperature of approximately 7 degrees Fahrenheit.

**Table 7** shows the climate data for Butte from 1894 to 1998. The table includes data on temperature, precipitation, and snowfall.

Based upon this information, the most suitable months for operation are May through September. This would require snow removal equipment at the mountaintop to keep the area accessible to tram riders during early spring and possibly late fall.

The following information was extrapolated from data collected at the weather station located near the Butte Airport. The data was then analyzed and reported on the Western Region Climate Center's website under historical data.

The information was put into formulas to reflect the elevation difference between the Butte Airport and the site of the statue on the Continental Divide.

The period of record for this information was April 2, 1894 to December 31, 1998.

**Table 7: Our lady of the Rockies Continental Divide Climate Summary**

Climate Indicator	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Se p	Oct	Nov	Dec	Year
Average Maximum Temperature (F)	16	21	27	37	47	56	66	65	56	42	27	28	49
Average Minimum Temperature (F)	-7	-4	4	13	21	28	33	31	23	15	4	-4	13
Average Total Precipitation (in.)	0.6	0.5	0.8	1.0	1.9	2.3	1.3	1.1	1.1	0.8	0.6	0.6	12.89
Average Total Snowfall (in.)	8.6	7.3	10. 3	6.9	3.7	0.5	0.0	0.1	1.1	3.7	6.6	8.3	57.0

In summary, weather patterns indicate optimal operational months would occur May through September. November through March high temperatures are below freezing which does not take into account the wind chill making it even more unbearable. April and October are just barely over freezing temperatures which simply leaves May through September. In addition, 65 percent of the Montana tourism industry occurs June through September. It would appear that a 12 month operation needs to be sustained during 5 months of the year.

Based on the weather and tourism industry observations, the remainder of this estimation document will use five months as the operational time frame.

### ***Butte Ridership Potential Market***

A survey was conducted of Butte residents to gain a perspective on their knowledge of the current bus tour, knowledge of the proposed tram project to the OLR statue, and potential tram ridership of residents. The main objective of the resident survey was to determine if residents supported the Lady and if residents would potentially support and ride the tram to the Lady.

### Methodology:

Two methods were used to assess a small sample of Butte residents on their knowledge of the tram. A total of 89 questionnaires were completed. The first method was a telephone survey. Phone numbers were randomly selected and dialed from the Butte telephone directory. Of the 36 residents contacted, 13 completed questionnaires and 26 refused to participate. The second method was face-to-face interviews conducted by two researchers at the Conoco gas station on Continental Drive in Butte. Gas station patrons were approached while filling their tanks at the pumps and asked if they were a Butte resident. If “yes”, they were asked to complete the questionnaire. This method resulted in 76 completed questionnaires and only 1 refusal to participate. The telephone survey was conducted during the afternoon and early evening hours of June 3, 1999. The face-to-face interviews were conducted all day on June 11, 1999.

Results of the Butte resident survey are shown in **Table 8**. The first question asked of respondents was whether or not they were aware of the bus trip up to the OLR statue. Eighty-three (93%) of those surveyed replied “yes”. Those respondents were then asked how many times they had ridden the bus up to the statue, and the most popular response was 1 or 2 times (29%). Every respondent was then asked if they are aware of the project to build a tram up to the statue. Eighty respondents (90%) said that they were aware of the project. When asked whether they would ride a tram up the front of the mountain, 76 (85%) said that they would be likely to do so. In addition, 69 (78%) said that \$10 was reasonable and they would be likely to ride the tram 1 or 2 times per year. The final section of the questionnaire was regarding reasons to ride the tram. The most frequent reason given for riding the tram was entertaining out of town guests (93%), the scenic view of the area (94%), and the view of Butte (88%). These were followed closely by the memorial to women and mothers (82%) and being on the continental divide (60%). Access to the USFS lands behind the statue (36%) and the religious symbolism attached to the statue (49%) were the least important reasons given for riding the tram.

The results from the resident survey not only provide us with an idea of approximately how many residents of Butte would ride the tram, but also indicates what is important to residents and therefore where marketing efforts should be concentrated.

It is apparent from the survey that Butte residents currently support the Lady, know about the Tram idea, and would be supportive through ridership of a tram to the Statue.

### Estimation of Ridership of the Butte Tram from local residents:

This estimation is based solely on the number of riders who would be drawn from the Butte residential population. The factors used for arriving at this range were the results of the Butte residential survey, the current estimated 1999 population of Butte and the average household size for Montana (from the Montana Department of Commerce).



Calculation:

Butte-Silver Bow population is estimated at 33,620.

Average size of Montana household is 2.8 people.

Survey Results: 39% have ridden the bus to the Lady

78% said they would pay \$10 to ride

87% said they would likely ride the tram

$33,620 / 2.8 = 12,007$  households in Butte each containing at least 1 adult

$12,007 \times 39\% = 4,683$

$12,007 \times 78\% = 9,365$

$12,007 \times 87\% = 10,446$

If each household in Butte contains at least 1 adult and 39 percent have already ridden the bus, then the minimal number of riders would be 4,683. However, 78 percent indicated they would pay \$10 to ride the tram and up to 87 percent said they would likely ride the tram, therefore the range can be estimated **4,683 – 10,446 for each year**. With the population of Butte virtually remaining the same, the number of resident riders will not increase over the years.

Butte ridership estimation:

	<u>Interstate access scenario*</u>	<u>Frontage road scenario*</u>
<b>Year</b>		
1	4,683 – 10,446	4,683 – 10,446
2	4,683 – 10,446	4,683 – 10,446
3	4,683 – 10,446	4,683 – 10,446
4	4,683 – 10,446	4,683 – 10,446
5	4,683 – 10,446	4,683 – 10,446
6	4,683 – 10,446	4,683 – 10,446
7	4,683 – 10,446	4,683 – 10,446
8	4,683 – 10,446	4,683 – 10,446
9	4,683 – 10,446	4,683 – 10,446
10	4,683 – 10,446	4,683 – 10,446

\*Butte Ridership would not be affected by access to the tram.

**Table 8: Butte Resident Survey Results**

<b>Question</b>	<b># said YES</b>	<b>% of total</b>	<b># said NO</b>	<b>% of total</b>
Are you aware of the bus trip to the statue?	83	93%	6	7%
Are you aware of the tram project?	80	90%	9	10%
Would you take a 7-minute tram ride up the front of the mountain?	76	87%	11	13%
Would you likely ride the tram at \$10 per adult?	69	78%	19	22%

<b>Question</b>	<b>1-2 times</b>	<b>% of total</b>	<b>3-4 times</b>	<b>% of total</b>	<b>6+ times</b>	<b>% of total</b>
How many times have you taken the bus trip?	26	74%	6	17%	3	9%

<b>Question</b>	<b>0 times</b>	<b>% of total</b>	<b>1-2 times</b>	<b>% of total</b>	<b>3-5 times</b>	<b>% of total</b>
How many times a year would you ride the tram at \$10 per adult?	5	7%	61	81%	9	12%

<b>Reasons for Riding the Tram</b>	<b># said reason is important</b>	<b>% of total respondents</b>
Scenic View of the Area	84	94%
Entertaining Out of Town Guests	83	93%
View of Butte	79	89%
Memorial to Women and Mothers	73	82%
Being on the Continental Divide	54	61%
Religious Symbolism	44	49%
Access to Forest Service Lands	32	36%

## ***Potential Population Growth of Regional Montana Market***

Population trends for the major urban areas with the potential of drawing riders were analyzed. These urban areas included the cities of Helena, Bozeman, and Missoula. To ensure full coverage of potential riders from these markets these areas were analyzed at both the city and the county levels. Thus, the counties included in the estimation of ridership are Lewis and Clark, Gallatin, and Missoula. Butte and Silver Bow are included in the charts and graphs for comparative purposes.

### **Methodology:**

Population information was gathered from the Montana Department of Commerce website accessible via the Internet. The information utilized for this study includes population counts and estimates over several decades. This information was then placed into numerical charts, and graphs were created based upon each information chart.

**Table 9** shows the population trends over time beginning in 1940 and ending in 1999. Missoula, Lewis and Clark, and Gallatin counties all show clear growth in their populations. However, Silver Bow County has experienced decline in population numbers, presumably due to the loss of the mining economic base within the county and specifically Butte. The graph included with Table 9 further illustrates these population trends.

**Table 10** also shows the population trends over time, but at the city level. The trend of growth at the county level is also reflected at the city level. Missoula, Bozeman, and Helena have all been expanding in population during this time period, while Butte has experienced fluctuations of growth and then decline.

**Table 11** represents the projected growth of populations within the local markets. These projections begin with the current 1999 population numbers and continue through the year 2020. The past trends of growth in Missoula, Lewis and Clark, and Gallatin counties are projected to continue. However, the current projections for Silver Bow county show little to no growth in population. Again, a graph has been included with the table to demonstrate the figures in the table.

According to the Bureau of Census, Montana has experienced an overall growth in population of 10% from 1990 to 1998. Missoula and Lewis and Clark counties have both experienced a growth of 13% from 1990 to 1998. In addition, Gallatin County has grown by 24% from 1990 to 1998. However, Silver Bow County only incurred a growth of 2% during the same time period.

### **Estimation of Ridership for the Butte Tram for Regional Montana Residents:**

The populations of each of the counties located in the local tram market could provide ridership. However, this ridership will only occur with strong target marketing within

those local populations. Marketing utilized to attract tourists off of Interstates 15 and 90 can not be relied upon to also attract riders from the regional Montana markets. Therefore, the estimated riders from these regional populations are based upon a marketing plan that directly targets Missoula, Helena, and Bozeman and their counties. With this in mind, the calculation of potential ridership from the local market depends upon several factors.

First is the estimated population numbers by county from the Montana Department of Commerce.

Second is the number of adults per population total. The tram marketing is targeted at adults, so the populations at both the county and city level were broken down into households with the assumption that each household contains at least one adult. According to the Montana Department of Commerce the average number of individuals per household is 2.8 people.

Third is the assumption that approximately 10 –18 percent of the regional population will actually ride the tram. This number is based on a Virginia City/Nevada City, Montana visitor survey conducted by the Institute for Tourism and Recreation at the University of Montana. Over the weekend of July 15-18, 1999, all vehicles traveling out of the two communities were pulled over and asked a few questions related to their Virginia/Nevada city visit. It was estimated that approximately 20 percent of the populations of the three communities would travel to VC/NC in a five-month period and approximately half of those would spend some time in the cities. This number was then adjusted to represent possible ridership on the tram by using 10 percent at the low end and 18 percent at the high end.

Calculations: X = the population  
 $X/2.8 = Y$   
 Y = the population by household  
 $Y \times .10 \text{ (or } .18) = \text{ridership potential for the county}$

<b><u>Missoula County 2000</u></b>	<b><u>Missoula County 2010</u></b>
92,040/2.8 = 32,871	104,570/2.8 = 37,346
32,871 x .10 to .18 = <b>3,287 to 5,917</b>	37,346 x .10 to .18 = <b>3,734 to 6,722</b>
<b><u>Gallatin County 2000</u></b>	<b><u>Gallatin County 2010</u></b>
64,160/2.8 = 22,914	74,110/2.8 = 26,468
22,914 x .10 to .18 = <b>2,291 to 4,124</b>	26,468 x .10 to .18 = <b>2,647 to 4,764</b>
<b><u>Lewis &amp; Clark County 2000</u></b>	<b><u>Lewis &amp; Clark County 2010</u></b>
55,550/2.8 = 19,839	64,020/2.8 = 22,864
19,839 x .10 to .18 = <b><u>1,984 to 3,571</u></b>	22,864 x .10 to .18 = <b><u>2,286 to 4,115</u></b>
<b>TOTALS</b>	<b>7,562 to 13,612</b>
	<b>8,667 to 15,601</b>

Based upon these factors and direct marketing efforts the potential ridership from the regional Montana markets for the year 2000 is between **7,562 and 13,612**.

Based upon these factors and direct marketing efforts the potential ridership from the regional Montana markets for the year 2010 is between **8,667 and 15,601**.

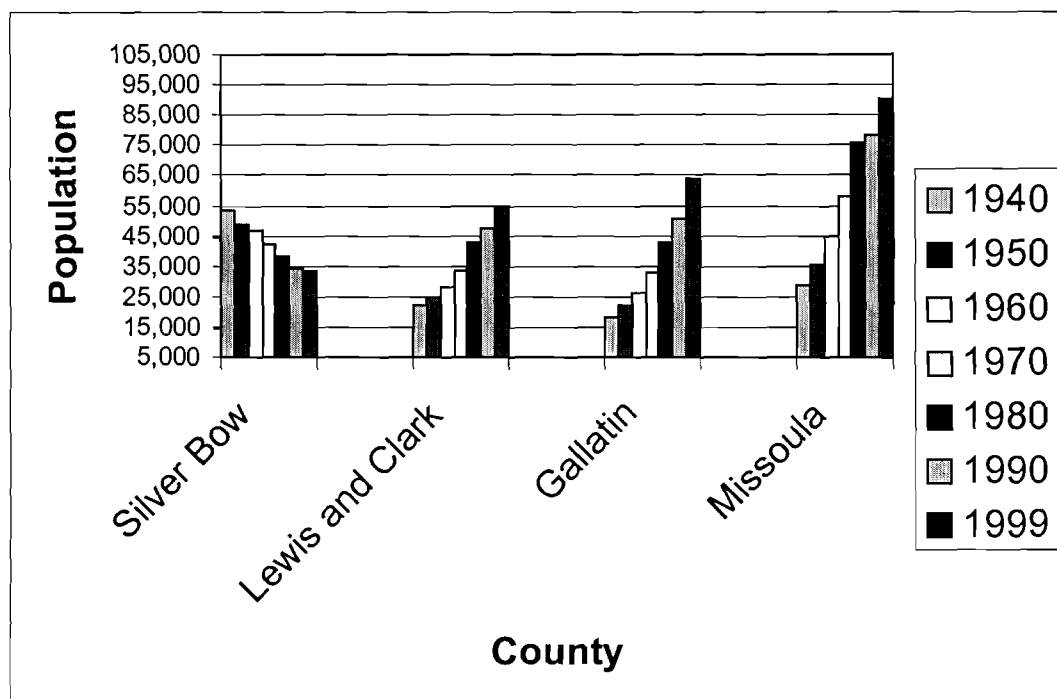
In this section the number of riders on the tram does not change between the two access scenarios. It is assumed that Montana residents will feel comfortable driving through the city of Butte to gain access to the tram.

Table 9

## Population Trends

### Population Over Time for potential Tram Market (by county)

COUNTY	1940	1950	1960	1970	1980	1990	1999
Silver Bow	53,207	48,422	46,454	41,981	38,092	33,941	33,620
Lewis and Clark	22,131	24,540	28,006	33,281	43,039	47,495	54,650
Gallatin	18,269	21,902	26,045	32,505	42,865	50,463	64,160
Missoula	29,038	35,493	44,663	58,263	76,016	78,687	90,750

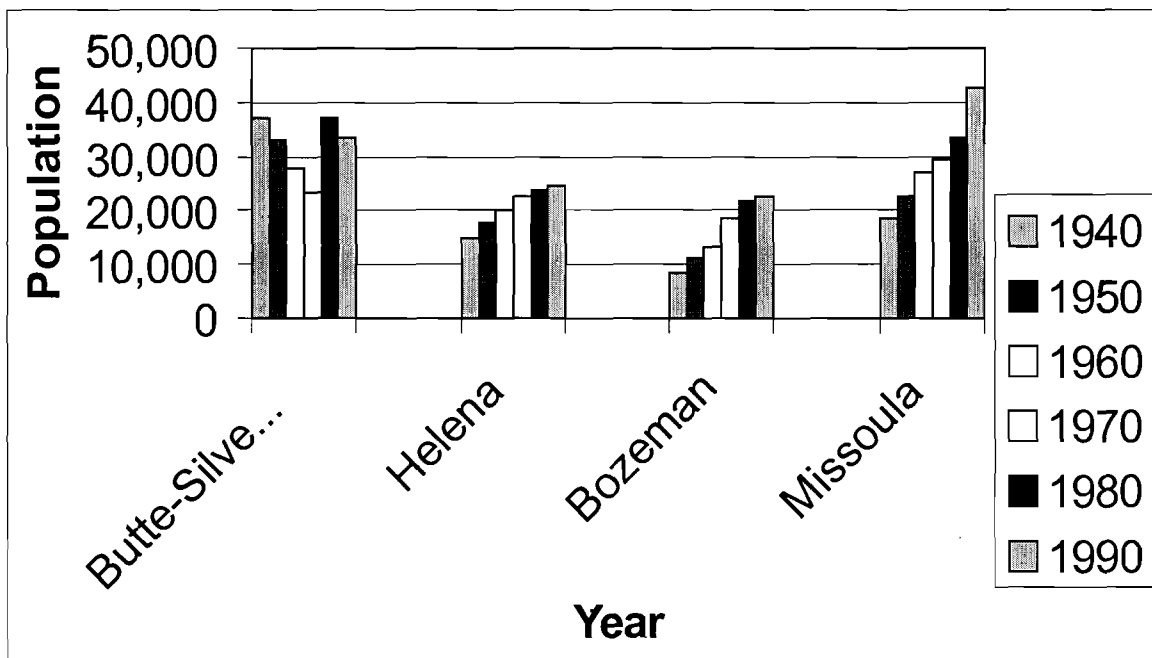


**Table 10**

**Population Trends**

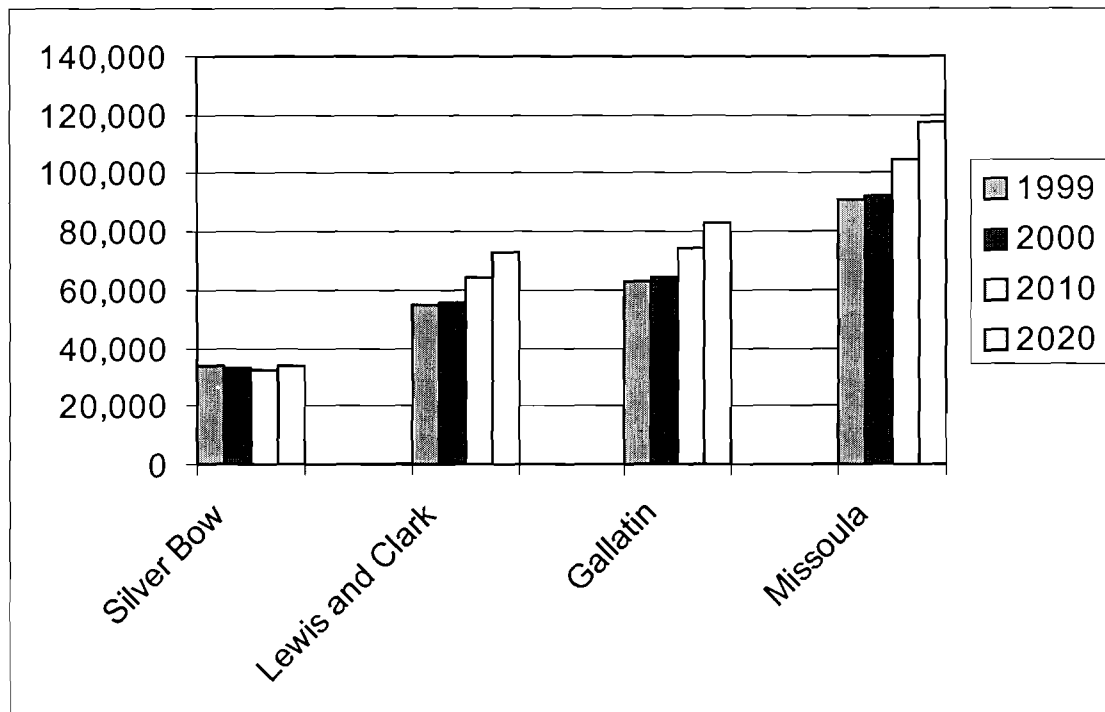
Population Over Time for potential Tram Market  
(by city)

CITY	1940	1950	1960	1970	1980	1990
Butte-Silver Bow	37,081	33,251	27,877	23,368	37,205	33,336
Helena	15,056	17,581	20,227	22,730	23,938	24,609
Bozeman	8,665	11,325	13,361	18,670	21,645	22,660
Missoula	18,449	22,485	27,090	29,497	33,351	42,918



**Table 11**  
**Population Projections for Potential**  
**Tram Market (by county)**

COUNTY	1999	2000	2010	2020
Silver Bow	33,620	33,380	32,500	33,640
Lewis and Clark	54,650	55,550	64,020	72,650
Gallatin	63,070	64,160	74,110	83,270
Missoula	90,750	92,040	104,570	117,610



### ***Description and Analysis of Similar Tram Operations***

In preparing the estimation of ridership for the proposed tram in Butte, Montana, trams similar to the proposed project were contacted. Although an exact match (in regards to a statue on the continental divide as the main attraction) could not be found, these other tram operations do offer insight into the amenities and ridership potential.

## Methodology:

An initial search for tram operations was conducted utilizing the Internet. Trams that did not rely solely upon skiing related activities were contacted. Based upon those contacts a list of similar tram operations was compiled. Interactions with other tram operations took place by phone and by email.

**Table 12** is a comparison of currently operating trams and the proposed Butte tram. Where possible information was gathered on numbers of riders, operating season, demographics, marketing, access, reasons to ride, prices, and capacity. These operations provide some similarity to the proposed Butte tram and were directly contacted by phone or email.

**Table 13** is a listing of tram operations throughout the United States and Canada that includes attractions, attendance, admission prices, and seasonal notes. In addition, information on time, speed, and capacity are included.

## Estimation of Total Ridership for the Butte Tram Based on Similar Trams:

While some tram operations analyzed had similarities to the proposed Butte tram, the uniqueness of the Butte tram indicates there is no other operation matching its characteristics perfectly. These characteristics include the residential population market, the regional population market, tourist traffic through the area, activities available during each season, and the amenities at the tram location. Therefore, an exact comparison between operations can not be made.

Table 12 shows the range of riders per summer season as varying from 23,000 to 300,000 people. This disparity is due to the variance in characteristics between operations, with the strongest determinate being the population base of residents within close proximity to the tram. For example, the Stone Mountain operation is located just outside of Atlanta, Georgia which can pull from a residential population of over 3,500,000 people. While Palm Spring has a similar population to Butte at about 40,000, Los Angeles is less than 100 miles away. Trams near larger population areas have more residents to draw from as well as a larger number of tourists in the area who could likely ride the tram.

Therefore, based solely on the population base from which to attract riders, out of the five operations listed on Table 12 and the others listed on Table 13, the two with the most similar characteristics to the Butte Tram are Sandia Peak in Albuquerque, New Mexico and Jay Peak Aerial Tramway in Jay, Vermont. The population base for the Sandia Peak local market is approximately 60,000 while the population base for the Jay Peak Aerial Tramway is approximately 40,000. The population base for the Butte tram it is about 37,000. These numbers are considerably less than other trams located in either major metropolitan areas or high-traffic tourist sites. Therefore, the number of riders that patronize Sandia Peak and the Jay Peak Aerial Tramway during the summer months is the best choice for estimating riders for the Butte tram.

On the other hand, the Jasper Tram in Jasper, Alberta has a significantly smaller population base than any of these three communities but still draws 170,000 riders per



year. When looking at the difference in ridership it appears to be directly correlated to the tourism market in the area. The Jasper Tram is located within a National Park which automatically draws large numbers of visitors. The Butte Tram is neither located within a national park nor has the scenic beauty attributed to a national park and therefore, would not likely draw significant amounts of people simply because of its location.

By comparing the proposed Butte tram with the similar trams of Sandia Peak and the Jay Peak Aerial Tramway the Butte tram could potentially attract between **23,000 to 30,000** riders during a similar operating period of May through September.

Ridership Estimate Based on Similar trams

	<u><b>Interstate access scenario*</b></u>	<u><b>Frontage road scenario*</b></u>
<b>Year</b>		
1	30,000	23,000
2	30,600	23,460
3	31,212	23,929
4	31,836	24,408
5	32,473	24,896
6	33,122	25,394
7	33,784	25,902
8	34,460	26,420
9	35,149	26,948
10	35,852	27,487

\*Increases are 2% yearly based on an average nonresident visitation increase of 2% per year

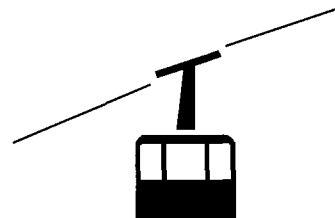
In this section the lower number of tram riders was seen as the number most likely for an access that required people to drive through town to reach the base of the tram. The higher number (30,000) was used in the interstate access scenario since it would be possible to draw more people from the interstate.

**Table 12: Comparison of Similar Tram Operations**

TRAM	LOCATION	# RIDERS	SEASON	DEMOGRAPHICS	MARKETING	ACCESS	WHY RIDE	PRICES	CAPACITY
PALM SPRINGS	California	380,000/year	Year round	40% are groups 60% are walk-ins majority 50 yrs+ & high income	\$600,000/yr print, TV, radio. Some national but mostly regional. Internet	Not visible from major highways but only 10 minutes from freeway.	Restaurants , view, trails accessible at the top.	Ad:17.65 Ch:11.65 Sr:14.65 Ride-n-Dine- Ad:21.65 Ch:14.65 Meal & lift	80 passengers/car
SANDIA PEAK	Albuquerque New Mexico	23,000/summer season	Memorial Day to Labor Day	People visiting family and friends, conventions	Print 225,000 color brochures for NM, TX, & AZ. Billboards at entry pts to city. Coop. Convention & Visitors Bureau and Hispano COC. Internet	Not visible from either freeways into town, but easy to find once in town.	11,000 sq. mile view at peak. Restaurants at top and base. Mountain biking- must rent at top not allowed on tram.	Ad:14.00 Ch:10.00 Sr:10.00 One-way: 8.00 Season Pass: 1 <sup>st</sup> in family 200.00 and 170.00 after	50 passengers/car
STONE MOUNTAIN	Georgia Just outside of Atlanta.	651,000/year	Year round	Atlanta residents and tourists, wide demographic	Co-op with Atlanta and other tourism attractions, Internet	Directly on and visible from highway 78.	Confederate Memorial Carving, view of Atlanta and the Appalachian Mountains, reach park at top.	Ad:5.00 Ch:4.00 Admission to park additional 6.00	80 passengers/car

**Table 12: Continued**

TRAM	LOCATION	# RIDERS	SEASON	DEMOGRAPHICS	MARKETING	ACCESS	WHY RIDE	PRICES	CAPACITY
JASPER TRAM	Jasper, Alberta Canada	170,000/season	Spring through Fall weather dependent	International tourists, local and regional residents, mostly families.	Co-op marketing, family tours, brochures, attend various international travel/trade shows.	4 km from highway 93 on way to Banff, just 10 minutes from town.	Guided interpretive hikes, restaurant, backcountry hiking, wildlife viewing, and specialty stores, evening Sunset Dinner.	Ad:10.00 depending on exchange rate	2 cars 30 passengers/car
SQUAW VALLEY	Lake Tahoe Area	300,000 / May through September	Year round	During winter skiers and ice skaters, summer brings families and seniors.	Co-op marketing, brochures	Difficult to find, not visible from any major highway or freeway. Can see lights at night coming in from Squaw.	Mountain biking, bungee jumping, restaurants, ice skating and skiing in winter.	Ad:14.00 Ch:5.00 After 5:00 PM:5.00	110 passengers/car



**Table 13: Tram Operations throughout United States and Canada**

NAME	LOCATION	OTHER ATTRACTIONS	ATTENDANCE	\$ FOR ADULT	\$ FOR CHILD	\$ FOR SENIOR	SEASONAL NOTES	TIME (minutes)	SPEED ft/min	CAPACITY (cars)	CAPACITY per/hr
Cannon Mountain Aerial Tramway	Franconia Notch, NH	skiing		\$9	\$5		Open all year. Serves skiers.	8		Two 80 Passenger	
Estes Park Aerial Tram	Estes Park, CO	Hiking, picnicking, shopping, wildlife viewing, spectacular scenery	62,000	\$8	\$4	\$7	Open mid May through September.	3	1000	12	144
Grouse Mountain	North Vancouver, BC	Dining, skiing, sleigh rides, snowshoe tours, cross country skiing								Two 100 Passenger	
Jackson Hole Aerial Tram	Jackson, WY	Hiking, mountain biking	250,000	\$15	\$7	\$14	Open all year. Serves skiers.	8.75	2000	Two 63 Passenger	378
Jasper Tramway	Jasper, Alberta Canada	Dining, shopping, hiking, wildlife viewing, guided hikes					Open April thorough October.	7	937	Two 30 Passenger	
Jay Peak Aerial Tramway	Jay, VT	Hiking, mountain biking	30,000	\$8	\$5	\$5	Open June through October.	8-10	1500	Two 60 Passenger	600
Mount Roberts Tramway	Juneau, AL	Dining, shopping, hiking, guided hikes, wildlife viewing, nature center	190,000	\$17	\$10		Open all year. Highly dependent on summer cruise customers.	4	772	Two 60 Passenger	
Palm Springs Aerial Tramway	Palm Springs, CA	Dining, hiking, skiing, camping, mule rides	400,000	\$18	\$12	\$15	Open all year. Busiest from December 25 through March.	14	914	Two 80 Passenger	465
Gatlinburg	Gatlinburg, TN	Shopping, skiing, amusement park						10		Two 120 Passenger	650

**Table 13: Continued**

NAME	LOCATION	OTHER ATTRACTIONS	ATTENDANCE	\$ FOR ADULT	\$ FOR CHILD	\$ FOR SENIOR	SEASONAL NOTES	TIME (minutes)	SPEED ft/min	CAPACITY (cars)	CAPACITY per/hr
Paradise Point Tramway	St. Thomas, Virgin Islands	Dining, shopping, self-guided nature trail		\$12	\$6		Open all year.	7			
Sandia Peak Ski and Tramway	Albuquerque, NM	Restaurants (2), sandwich/yogurt shop, outdoor barbeque, gift shop, alpine and nordic skiing, mountain biking, hanggliding, information center, bookstore, hiking, guided tours	250,000	\$14	\$10	\$10	Tram and dining are open year round. Skiing is from mid December to mid March. Mountain biking and summer chairlift are from Memorial Day to mid October. Hiking is seasonal. International Balloon Festival (1 <sup>st</sup> week in October).	14	1440	Two 60 Passenger	220
Squaw Valley Cable Car	Squaw Valley	Dining, ice pavillion, olympic museum, swimming, skiing, snowmobiling		\$14	\$5						
Sulphur Mountain Gondola	Banff, Canada	Dining, hiking, shopping						8	640		650
Heavenly	Heavenly, NV	Skiing, hiking, dining, special events		\$14	\$7		Summer guided hikes, shopping, lunch, dinner.	3.75	1600	50 Passenger	1203

## ***Comparison of Other Drive-by Tourist Attractions in Montana***

To assist in determining the percentage of drive-by traffic on Interstates 90 and 15 the proposed tram could potentially draw, data on various drive-by tourist attractions in Montana were collected and analyzed.

### **Methodology:**

Eleven tourist attractions across Montana were selected for comparison. These were chosen based upon location and access routes along Montana's Interstates or Highways frequented by tourist travelers. Each attraction provided the number of visitors per year which was then compared to the highway traffic data provided by the Montana Department of Transportation.

The tourist season for the purpose of this section is defined as May through September. The number of visitors each attraction draws was then built into a spreadsheet and compared with the vehicle counts for the Interstate or Highway location nearest the attraction. A percentage of visitors was obtained by comparing the number of passing vehicles, the average traveling group size of 2.7 (based on the average of 2.8 for Montana households and 2.6 for nonresident travelers) and the number of visitors each attraction receives.

**Table 14** identifies Montana tourist attractions used for comparative purposes in the estimation analysis. The number of monthly visitors to each attraction is divided by 2.7 (average group size discussed above) which represents the number of vehicles. The average monthly vehicle count as close to the attraction as possible was used as the numerator which provides a percent of vehicles passing the attraction who stop at the attraction. Again, the vehicle counts utilized were the Montana Department of Transportation highway traffic counts and include resident, non-resident, commercial, and non-commercial traffic. The formula used for this analysis is:

$$\text{average daily traffic} \times \# \text{ of days per month} = \text{monthly traffic(vehicle) count (MTC)}$$
$$\text{monthly attendance/group size (2.7)} = \text{monthly group(vehicle) attendance(MGA)}$$

$$\text{MGA/MTC} = \text{percent of "drive-by" traffic going to attraction}$$

The percent range of "drive-by" traffic stopping at attractions in Montana is as low as .09% at the Copper King Mansion in Butte during the month of August to a high of 21.72% at the Little Big Horn Battlefield south of Hardin on I-90. The Little Big Horn Battlefield is a National Park Service site which attracts more people because of its designation. Since the Butte Tram does not have NPS designation, the Little Big Horn Battlefield was dropped from the comparison. The averages based on 11 attractions ranged in months from 0.674 in May to 0.873 percent in July. This was the first estimation made for the Butte Tram.

The second estimate was based on the average monthly drive-by for nine attractions. This estimate omits all the National Park Service sites since these sites tend to draw people by virtue of their National Park designation. The sites omitted from the estimation are Little Big Horn Battlefield, National Bison Range, and Grant Kohrs Ranch. The monthly averages then ranged from .357 to .549 percent of drive-by traffic.

#### Estimation of Ridership for the Butte Tram Based on other Montana Attractions: Interstate Access Scenario

This estimation is based upon the comparison of other drive-by Montana tourist attractions and is derived from vehicle counts recorded by the Department of Transportation and the number of visitors per attraction to obtain the percentage of the traffic attractions are capturing off adjacent roadways.

The first estimate is based on the average monthly drive-by for eleven attractions. This estimate omits the Little Big Horn Battlefield which is the obvious outlier. For example:

$$\begin{aligned} 1-90 \text{ May traffic} \times \text{May average percent of eleven attractions} &= \text{May group} \\ \text{May group} \times \text{group size} &= \text{visitation to Tram} \end{aligned}$$

#### Estimation Based on 11 Montana attractions (average monthly visitation)

May	514,166 x .00674 = 3,465 x 2.7 =	9,355
June	571,981 x .00785 = 4,490 x 2.7 =	12,123
July	640,863 x .00839 = 5,377 x 2.7 =	14,518
Aug.	618,853 x .00873 = 5,402 x 2.7 =	14,585
Sept.	511,200 x .00703 = 3,594 x 2.7 =	<u>9,704</u>
Total Potential Tram Riders		60,285

The second estimate is based on the average monthly drive-by for the nine attractions which omit the National Park Service sites.

May	514,166 x .00357 = 1,836 x 2.7 =	4,957
June	571,981 x .00503 = 2,877 x 2.7 =	7,768
July	640,863 x .00542 = 3,473 x 2.7 =	9,377
Aug.	618,853 x .00549 = 3,398 x 2.7 =	9,175
Sept.	511,200 x .00358 = 1,830 x 2.7 =	<u>4,941</u>
Total Potential Tram Riders		36,218

These indicators suggest that the Butte tram could attract between **36,218 to 60,285**. This estimate is based on traffic counts close to the attraction, visitation at the attraction, and the ratio between traffic and visitation numbers.

#### Estimation of Ridership for the Butte Tram Frontage Access Scenario:

With access to the Butte Tram through town on a frontage road, ridership on the tram will be greatly decreased and more comparable to visitation at the Copper King Mansion and the Mining Museum. While the previous estimate took the average of a number of attractions, it is sensible to argue that the tram would carry at least as many as the visitation numbers at the Mining Museum. The following estimate, therefore, is based on Mining Museum visitation numbers.

May	514,166 x .0029 = 1,491 x 2.7 =	4,026
June	571,981 x .0026 = 1,487 x 2.7 =	4,015
July	640,863 x .0023 = 1,474 x 2.7 =	3,980
Aug.	618,853 x .0024 = 1,485 x 2.7 =	4,010
Sept.	511,200 x .0029 = 1,482 x 2.7 =	<u>4,001</u>
Total Potential Tram Riders		20,032

Finally, it is important to look at the visitation trend line for attractions in Montana to get an understanding of the future of the Butte Tram visitation. **Figure 1** in Appendix B shows attendance trends of 6 of the selected attractions for comparison. The graph follows those trends from 1994 to 1998. All of the six represented attractions has either remained stable or slightly decreased in the number of tourists or visitors attracted each year. This is an alarming statistic when compared to the 2-3 percent increase of nonresident visitors to the state each year.

#### Ridership Estimate Based on Visitation to Montana Attractions

Year	<u>Interstate access scenario*</u>	<u>Frontage road scenario*</u>
1	36,218 to 60,285	20,032
2	36,580 to 60,883	20,232
3	36,945 to 61,492	20,435
4	37,314 to 62,107	20,639
5	37,687 to 62,728	20,845
6	38,063 to 63,355	21,054
7	38,443 to 63,988	21,264
8	38,827 to 64,628	21,477
9	39,215 to 65,275	21,692
10	39,607 to 65,927	21,909

\*Yearly increases are kept at 1% due to the trend in visitation at other MT attractions.



**Table 14: 1998 Traffic Patterns at Montana Attractions**

	May	June	July	August	Sept.		May	June	July	Aug	Sept.
<b>Average Daily Traffic</b>						<b>Monthly Attendance at Attractions</b>					
I90 1 mi W of Superior	6632	8078	9437	9377	7432	National Bison Range	21800	23100	29700	31100	25500
I90 10 mi E of Missoula	9297	11019	12709	12700	10457	Grant Kohrs Ranch	3464	4077	5848	5342	3076
I90 & I15 @ Butte	16586	18451	20673	19963	17040	Old Prison Museum	3764	6397	9477	9187	5061
I90 6 mi W of Billings	19386	21516	23590	22925	20055	Mining Museum	4000	4000	4000	4000	4000
I90 at Billings	20352	22685	23761	24200	21872	Museum of the Rockies	11490	17472	17378	19905	7851
I90 Just S of Lodge Grass	3670	4765	5433	5244	3841	Lewis and Clark Caverns	5575	10346	17701	15824	
US 93 @Ravalli	6923	7520	9340	8908	7588	Little Big Horn battlefield	34813	63485	98748	79621	43509
I15 btwn MT St & Harrison	12935	14847	16698	16176	13887	Gates of the Mountain		2187	2187	2187	2187
I15 @Wolf Creek	3685	3868	4418	4246	3707	Rocky Mountain Elk Found	6250	6250	6250	6250	6250
US 94 2 mi N of Hamilton	10344	10833	11549	11070	10512	Copper King Mansion	1550	1550	1550	1550	1550
US 2 @ Wolf Point	2363	2665	2933	2754	2500	Bainville Pioneer Museum	333	333	333	333	333
<b>Monthly Traffic</b>						<b>Monthly Group (att/2.7)</b>					
I90 1 mi W of Superior	205592	250418	292547	290687	222960	National Bison Range	8074	8556	11000	11519	9444
I90 10 mi E of Missoula	288207	341589	393979	393700	313710	Grant Kohrs Ranch	1283	1510	2166	1979	1139
I90 & I15 @ Butte	514166	571981	640863	618853	511200	Old Prison Museum	1394	2369	3510	3403	1874
I90 6 mi W of Billings	600966	666996	731290	710675	601650	Mining Museum	1481	1481	1481	1481	1481
I90 Just S of Lodge Grass	113770	147715	168423	162564	115230	Museum of the Rockies	4256	6471	6436	7372	2908
US 93 @Ravalli	214613	233120	289540	276148	227640	Lewis and Clark Caverns	2065	3832	6556	5861	
I15 btwn MT St & Harrison	400985	460257	517638	501456	416610	Little Big Horn battlefield	12894	23513	36573	29489	16114
I15 @Wolf Creek	114235	119908	136958	131626	111210	Gates of the Mountain		810	810	810	810
US 94 2 mi N of Hamilton	320664	335823	358019	343170	315360	Rocky Mountain Elk Found	2315	2315	2315	2315	2315
US 2 @ Wolf Point	73253	82615	90923	85374	75000	Copper King Mansion	574	574	574	574	574
						Bainville Pioneer Museum	123	123	123	123	123
<b>Percent of "Drive By" Groups</b>						<b>Highway Counter Location Used</b>					
National Bison Range	4.15%	4.17%	3.80%	3.67%	3.76%	(used US 93 @ Ravalli)					
Grant Kohrs Ranch	0.36%	0.50%	0.55%	0.44%	0.45%	(used missoula highway count)					
Old Prison Museum	0.60%	0.86%	0.89%	0.69%	0.48%	(used missoula highway count)					
Mining Museum	0.29%	0.24%	0.23%	0.26%	0.29%	(used I90 & I15 at Butte)					
Museum of the Rockies	0.48%	1.04%	0.88%	0.97%	0.71%	(used I90 W of Billings)					
Lewis and Clark Caverns		1.17%	1.27%	0.83%	0.51%	(used I15 btwn MT st and Harrison)					
Little Big Horn battlefield	13.98%	18.14%	21.72%	15.92%	11.33%	(used Lodgegrass highway count)					
Gates of the Mountains	0.73%	0.62%	0.59%	0.68%		(used I15 @ Wolf Creek)					
Rocky Mountain Elk Found	0.74%	0.59%	0.59%	0.68%	0.80%	(used missoula highway count)					
Copper King Mansion	0.11%	0.09%	0.09%	0.10%	0.11%	(used I90 & I15 at Butte)					
Bainville Pioneer Museum	0.16%	0.14%	0.14%	0.15%	0.17%	(used US 2 @ Wolf Point)					

## Summary of Part 2

The crucial factors determining the ridership estimation for the proposed Butte tram from this study are:

- The influence of climate on the Butte tram operation.
- Response from Butte residents to the tram.
- The attraction of residents from the regional Montana market.
- Comparing other tram operations in the US and Canada.
- Visitor numbers from other Montana attractions.

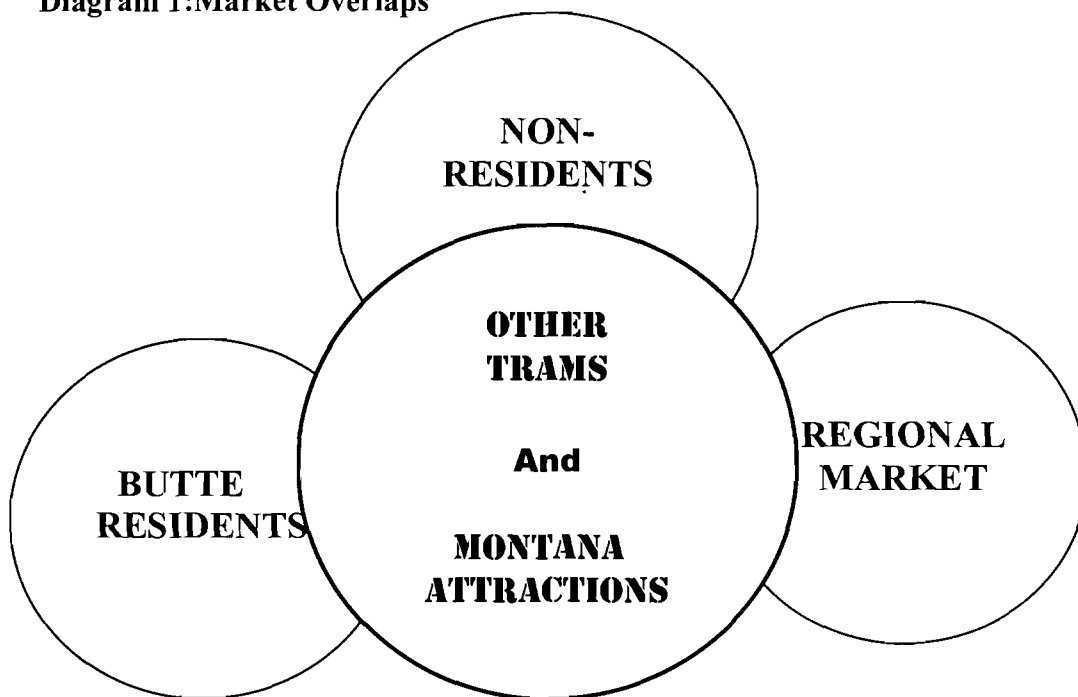
Each of these factors is part of the overall ridership estimation. They are not mutually exclusive. Therefore, the estimations of ridership given throughout this section are not cumulative. For example, an overlap of riders exists between the Butte residential market and the similar tram estimations as well as the other Montana attraction comparisons.

In addition, the overall estimation includes a professional marketing effort to attract riders from each of the potential markets. Proper marketing during each phase of construction, opening, and operation of the tram is crucial.

### ***Overall Ridership Estimation***

**Diagram 1** is the representation of how each section in the estimation fits together. The other tram operations and Montana attractions are the core of ridership estimation. Included in the numbers from other trams and Montana attractions are the nonresident, resident, and regional market ridership estimations.

**Diagram 1:Market Overlaps**



The following is the ridership for the Butte tram.

- ✓ The estimations are for the first year of operation and the tenth year of operation.
- ✓ The estimations are broken down into the two scenarios of the Frontage Road access and the Interstate ramp access.
- ✓ There are three categories of estimation.

**Pessimistic**: These estimations are based on little to no marketing efforts.

**Realistic**: The numbers that could be achieved by following the recommendations made in the Marketing Plan at the beginning of this document.

**Optimistic**: If marketing efforts beyond what has been recommended coupled with strong efforts from the OLR, these numbers may be achieved.

## Frontage Road Access\*

Market	Pessimistic		Realistic		Optimistic	
	Year 1	Year 10	Year 1	Year 10	Year 1	Year 10
Butte Residents	4,683 <sup>1</sup>	4,683	9,365	9,365	10,446 <sup>2</sup>	10,446
Regional Residents	7,562 <sup>3</sup>	8,667	10,587 <sup>4</sup>	12,135	13,612 <sup>5</sup>	15,601
Nonresidents <sup>6</sup>						
# overnight	1,153	2,372	1,920	3,772	3,743	6,177
# drive by	677	1,393	1,128	2,215	2,199	3,628
Total nonresidents	1,830	3,765	3,048	5,987	5,942	9,805
<b>Total Ridership</b>	<b>14,075</b>	<b>17,115</b>	<b>23,000<sup>7</sup></b>	<b>27,487</b>	<b>30,000</b>	<b>35,852</b>

## Interstate Ramp Access\*

Market	Pessimistic		Realistic		Optimistic	
	Year 1	Year 10	Year 1	Year 10	Year 1	Year 10
Butte Residents	4,683	4,683	9,365	9,365	10,446	10,446
Regional Residents	7,562	8,667	10,587	12,135	13,612	15,601
Nonresidents						
# overnight	6,312	7,164	10,248	11,407	22,823	25,124
# drive by	3,707	4,208	6,018	6,700	13,404	14,756
Total nonresidents	10,019	11,372	16,266	18,107	36,227	39,880
<b>Total Ridership</b>	<b>22,264</b>	<b>24,722</b>	<b>36,218</b>	<b>39,607</b>	<b>60,285<sup>8</sup></b>	<b>65,927</b>

\*See discussion below for full explanation of numbers

### ***Nonresident Estimate Ratio and Total Ridership Estimation***

In this forecasting document a variety of numbers and sources were used. However, there are two base numbers from which most of the remaining projections were derived.

First, the Realistic Scenario Frontage Road Access Year 1 of 23,000 was taken from the number of riders on the Sandia Peak Tram in New Mexico. This number was deemed a reasonable projection of riders for Butte since this tram is similar and already has an established track record of riders.

<sup>1</sup> Number of residents who have ridden the bus (39%)

<sup>2</sup> Number of residents who said they would ride the tram (87%)

<sup>3</sup> Least number of regional market people likely to travel in Montana (10%)

<sup>4</sup>  $13,612 - 7,562 / 2 + 7,562$

<sup>5</sup> Greatest number of regional market people likely to travel in Montana (18%)

<sup>6</sup> The ratio of overnight to drive by traffic determined first with the optimal number of riders in the interstate access scenario. The percent of overnights was 63% of the total nonresidents. See explanation below.

<sup>7</sup> Number of riders at a similar tram (23,000) during summer operations

<sup>8</sup> Highest number obtained based on other Montana attractions

Second, the Optimistic Scenario Interstate Ramp Access Year 1 total of 60,280 was derived from the calculation of other Montana attractions and the ratio of traffic to attendance. The numbers used include 11 other Montana attractions and is the highest probable number given an extreme marketing program.

The following provides the step by step explanation of ridership estimations:

1. Butte resident ridership numbers came from the survey administered to Butte residents. The smallest number is the 39% who have already ridden the bus to the Lady. The largest number is the percent who indicated an interest in riding the tram. The middle (realistic) number is number of Butte people who indicated they would spend \$10 to ride the tram.
2. Regional numbers were derived from the ITRR Virginia/Nevada City survey conducted July 1999. Based on the visitor population analysis, it is estimated that almost 20% of the Missoula, Gallatin, and Lewis and Clark county populations will travel through VC/NC in the five month summer period. Approximately half of those residents simply drove through VC/NC but the other half were more likely to stop. Therefore, ten to eighteen percent of the three county populations will be expected to be potential riders of the Butte tram.
3. In looking at the Frontage Road Access numbers, it was already determined that 23,000 was a defensible number based on other trams. Therefore the only number to generate at this point was the nonresident ridership number. The Butte and regional markets were added then subtracted from 23,000. The nonresident total became 3,048.
4. To further explain the nonresident ridership of the Tram, data from the Institute for Tourism and Recreation Research at the University of Montana were analyzed. According to the nonresident summer survey conducted in 1996:
  - 1,998,000 travel through Butte each summer;
  - 359,640 (18%) of those that travel through Butte spend the night;
  - Of those spending the night in Butte 161,838 (45%) are in Montana for vacation;
  - Of the 161,838 here for vacation 22,657 (14%) are interested in activities similar to what the tram offers which includes Montana history. Therefore, from an optimistic viewpoint, it is argued that the Interstate Ramp Access could capture all people who stay in Butte who are on vacation and have interest in Montana and it's history which includes Butte. This nonresident number was applied to the optimistic year of people who stay overnight. The remaining nonresidents would be individuals who would ride the tram but not stay overnight. The ratio of 37% drive-by and 63% overnight was established.
5. To estimate the remaining numbers of drive-by and overnight nonresidents who ride the tram, the same ratio from the optimistic scenario was applied to all other nonresident rider numbers.

*Please see Appendix C for further calculation explanation.*

### ***Dollar Expenditure in Butte based on Tram Ridership***

#### **Methodology:**

Information from ITRR surveys regarding nonresident daily expenditure totals was used to calculate the total daily expenditure of visitors to Butte who ride the tram. (For an overview of the survey and results, refer to TCR98-6 report "Expenditure Profiles and Marketing Responsiveness of Nonresident Visitor Groups to Montana", Institute for Tourism and Recreation Research, [www.forestry.umontana.edu/itr](http://www.forestry.umontana.edu/itr)). Daily expenditures for visitors to Butte were generated separately from this data base for this study.

Two groups were identified. Those who spend the night have a greater outlay of dollars within the community by virtue of spending more time. However, an impact on the community will occur to some extent for those who do not spend the night. More dollars will be dropped in the community if the nonresidents have to drive through town then if they can simply get off the interstate, ride the tram, then get right back on the interstate. The following direct expenditure figures are based on half-day visits and overnight stays.

#### **Average Total Daily Expenditure of Nonresident Visitor Group to Butte**

Type of Business	\$ Spent by Groups Not Staying the	\$ Spent by Groups Staying a Night in
Retail Sales	\$13.29	\$26.58
Gasoline, Oil	\$10.59	\$21.18
Restaurant, Bar	\$8.94	\$17.90
Hotel, Lodge, Bed & Breakfast	\$0.00	\$21.18
Groceries, Snacks	\$4.27	\$8.53
Miscellaneous Expenses, Services	\$3.14	\$6.28
Auto Rental and Repair	\$2.23	\$4.45
Campground, Recreational Vehicle Park	\$0.00	\$2.28
Transportation Fares	\$0.25	\$0.49
<b>TOTAL</b>	<b>\$42.71</b>	<b>\$108.87</b>

### **Frontage Road Access Dollars Contributed to the Community**

Market	Pessimistic		Realistic		Optimistic	
	Year 1	Year 10*	Year 1	Year 10*	Year 1	Year 10*
Butte Residents	\$0	\$0	\$0	\$0	\$0	\$0
Regional Residents	\$0	\$0	\$0 - 80,745	\$0 - 92,551	\$0 - 207,632	\$0 - 237,971
Nonresidents						
# overnight	\$48,280	\$99,323	\$80,396	\$157,945	\$156,731	\$258,650
# drive by	\$11,121	\$22,883	\$18,530	\$36,386	\$36,123	\$59,597
<b>Total dollars</b>	<b>\$59,401</b>	<b>\$122,206</b>	<b>\$98,926</b> to <b>\$179,671</b>	<b>\$194,331</b> to <b>\$286,882</b>	<b>\$192,854</b> to <b>\$400,486</b>	<b>\$318,247</b> to <b>\$556,218</b>

\*Current year dollars

Frontage Road Dollar assumptions:

- ◆ All regional resident rider numbers were divided by 2.8 to obtain number of groups.
- ◆ All nonresident rider numbers were divided by 2.6 to obtain number of groups.
- ◆ As many as 1/2 of the regional visitor groups will spend the \$42.71 while in Butte in the Realistic Scenario.
- ◆ All regional visitor groups will spend the \$42.71 while in Butte in the Optimistic Scenario.
- ◆ All overnight visitors will spend the \$108.87 per group.
- ◆ All nonresident drive-by visitors will spend the \$42.71 per group.

## Interstate Ramp Access Dollars contributed to the Community

Market	Pessimistic		Realistic		Optimistic	
	Year 1	Year 10*	Year 1	Year 10*	Year 1	Year 10*
Butte Residents	\$0	\$0	\$0	\$0	\$0	\$0
Regional Residents	\$0	\$0	\$0 – 53,292	\$0 – 61,084	\$0 -103,816	\$0 - 118,985
Nonresidents						
# overnight	\$264,303	\$299,979	\$429,115	\$477,646	\$955,669	\$1,052,019
# drive by	\$15,224	\$17,281	\$49,428	\$55,030	\$165,140	\$181,796
<b>Total Ridership</b>	<b>\$279,527</b>	<b>\$317,260</b>	<b>\$478,544</b> to <b>\$531,836</b>	<b>\$532,676</b> to <b>\$593,760</b>	<b>\$1,120,809</b> to <b>\$1,224,625</b>	<b>\$1,233,815</b> to <b>\$1,352,800</b>

\*Current year dollars

Interstate Ramp Access Dollar assumptions:

- ◆ All regional resident rider numbers were divided by 2.8 to obtain number of groups.
- ◆ All nonresident rider numbers were divided by 2.6 to obtain number of groups.
- ◆ As many as 1/3 of the regional visitor groups will spend the \$42.71 while in Butte in the Realistic Scenario.
- ◆ As many as 1/2 of the regional visitor groups will spend the \$42.71 while in Butte in the Optimistic Scenario.
- ◆ All overnight visitors will spend the \$108.87 per group.
- ◆ ¼ of the nonresident drive-by visitors will spend the \$42.71 per group in the pessimistic scenario.
- ◆ ½ of the nonresident drive-by visitors will spend the \$42.71 per group in the realistic scenario.
- ◆ ¾ of the nonresident drive-by visitors will spend the \$42.71 per group in the optimistic scenario.

*Please see Appendix C for further calculation explanation.*

## ***Ridership Conclusion***

While the numbers given in these projections could be manipulated to show a greater or lesser ridership, the authors of this report believe strongly that the numbers are defensible, reasonable, and accurate based on other trams, attendance at other Montana attractions, and support by the residents of Butte.

Our Lady of the Rockies is a Montana phenomenon but mostly a Butte happening. That is why the ridership of Butte and regional residents is proportionately higher in the frontage road access and in the pessimistic and realistic scenarios with an interstate ramp access. Nonresidents do not become a significant piece of the puzzle until the interstate ramp optimistic scenario. Even then, nonresidents may be hard to persuade to deviate from their itinerary to take in the tram. Currently Butte houses fewer nonresidents of all the major communities in the state (Billings, Bozeman, Missoula, Helena, Great Falls, and Kalispell).

In the realistic frontage road access scenario we have projected a first year ridership to equal the current ridership on a New Mexico tram, which has been in place for years. Some people may argue that the first year of a new tram could never reach as high of numbers as an established tram. We believe it is possible based on the other attractions in Butte and the novelty of such a new experience. On the other hand, if 23,000 riders were possible the first year, others would argue that the next year wouldn't be as high since the novelty has worn off. Again, we argue that the marketing advances used by the OLR organization will continue to bring in new and repeat riders from all over Montana.

In the realistic interstate ramp access scenario we have projected a first year ridership to exceed other similar trams but equal that of the average attendance at many attractions around Montana. This, too, is defensible. First of all, the nonresident ridership should become more of a significant piece since access to the tram is very easy. Second, with superb placement of signs and a full year of advertising and public relations, both Montanan's and nonresidents will have awaited the opening of the tram for some time. It is believed that the experience gained from the tram as well as learning the history of Butte and the tram will not wear off. Resident will bring their friends and relatives to the tram on a day trip from home since the tram does not discriminate on size, shape or ability of its riders.

In conclusion, it is believed that the Our Lady of the Rockies tram would provide a ride to the top for 23,000 people in the first year of operation with a frontage road access and slightly over 36,000 people in the first year of operation with an interstate ramp access. The dollars dropped in Butte related to the tram would range from a low of \$59,000 in the frontage road scenario to over half a million dollars in the interstate ramp access scenario. All of these predictions were based upon a tram ride reasonably priced at no more than \$10 per person.



## ***Final Thoughts***

While it was not within the scope of this study to analyze parking lot and tram capacity, it seemed relevant to discuss some concerns about capacity. The two parking lots will hold approximately 300 cars and 60 buses or RV's. Most operations have a peak attendance time between 10:00am and 2:00pm meaning the greatest number of people will be there at some point in those four hours.

Therefore, if the lots were full with just cars and RV's and each vehicle held 2.7 people, then 972 people would be in the vicinity of the tram at the same time. At approximately 10 minutes per ride (ride plus loading and unloading), 6 cars of 35 could be brought to the top each hour or 210 people per hour. It would take 27 tram rides or 4.5 hours to get all the riders to the top. Of course it is unrealistic to think that all 972 people would arrive at the same time, however, it is a consideration. Obviously if there were buses in the parking lot, the number of tram rides it would take to get everyone to the statute would increase drastically. Every busload would fill at least one tram ride to the top.

Additionally, the base of the tram is currently expected to house a restaurant, gift shop, and interpretive center. These developments will keep people milling around the base and holding parking spaces for a longer time period. This could be viewed as both positive and negative. It is positive if the people are spending money at the base but negative if they are neither riding the tram nor purchasing items in the base operation. The OLR Foundation will need to be aware of the parking restrictions and monitor it on a regular basis. The weekend days and the times between 10:00am-2:00pm will be the most crucial periods.

# **Appendix A**

## **Marketing of Similar Trams**

## ***Marketing of Similar Trams***

Marketing techniques of five similar tram operations were researched and reviewed in the preparation of this plan. Those trams include the Palm Springs operation in California, Sandia Peak in New Mexico, Stone Mountain in Georgia, the Jasper tram in Alberta, and Squaw Valley in the Lake Tahoe area. Although none of these trams are exact replicas of each other or the proposed Butte tram, they all offer some useful aspects to the marketing of the OLR tram.

The most common forms of marketing that each of these operations utilizes are:

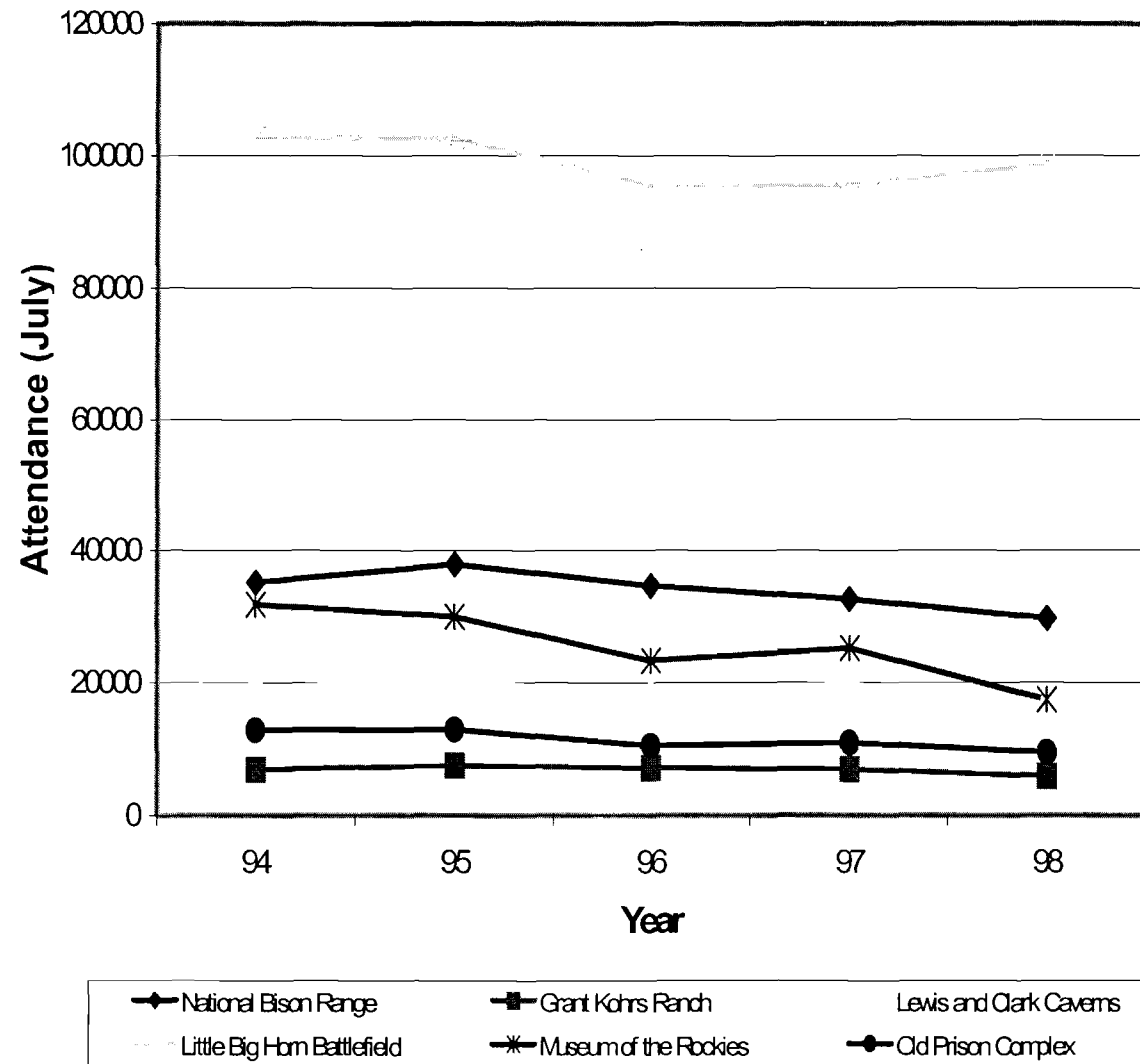
- ➔ **The Internet:** each one of the operations listed above maintains a website. Several of them utilize their website to show up to the minute photographs from various points along the tram ride. However, all of them include photographs of the main attractions at their location. They also list and describe all of the amenities offered by their operation and source links to other local amenities and attractions.
- ➔ **Brochures:** these also perform a key marketing function for each of these operations. Thus, careful development of an attractive and informative brochure that is distributed effectively can reach a large audience and be a crucial tool in bringing riders to a tram.
- ➔ **Cooperative Marketing:** is also a tool used by several of the tram operations that were researched for this plan. Cooperative marketing is already occurring to some degree within the several tourist attractions in Butte. Therefore, it would not be difficult to establish these types of relationships for marketing of the tram. It would also be beneficial to expand this technique by cooperating with other cities and attractions throughout Montana.
- ➔ **Billboards:** while not used by every tram that was researched, they do provide an important tool for trams that attract passing traffic. The two scenarios that are currently presented for the Butte tram are in close proximity to two major highways in Montana. Therefore, billboards could prove an effective tool for reaching tourists traveling through the area. They would not only reach those unaware of the tram, but could also remind tourists who had heard of the tram but may not have included it on their itinerary. However, there are some consequences to utilizing billboards. One being that tourists could attach a “tourist attraction” stigma to the statue based upon the usage of billboards. In addition, a survey of nonresident visitors to Montana conducted by the Institute for Tourism and Recreation Research of travelers showed that only 14% of the travelers surveyed used billboards as a source of information, and only 3% listed billboards as the most helpful source of information. Thus, billboard usage should be considered with caution.

- ➔ **Product:** Other tram operations market the specific activities that they offer. For example, if wildlife viewing is an attraction then they organize nature hikes with informative guides. Or, if the restaurant at the top of the tram is a key attraction then they market a “ride-and-dine” deal where you pay one price to ride and then have a meal at the restaurant.
- ➔ **Retail Sales:** Some of the tram operations offer unique gift shops that allow riders to purchase specialty items. These shops extend beyond the idea of a “souvenir shop” and expand the shopping experience to include art, locally manufactured items, and other rarely found merchandise.
- ➔ **Experience of Tram Ride:** The actual thrill obtained when riding a tram over scenic terrain is a marketing tool used by many of the trams that were researched.

# **Appendix B**

## **Traffic Patterns at Montana Attractions**

**Table 15: Attendance Trends at Select Montana Attractions**



# **Appendix C**

## Calculations

## Ridership Estimation Calculations Frontage Road

### Frontage Road Access

Market	Pessimistic		Realistic		Optimistic	
	Year 1	Year 10	Year 1	Year 10	Year 1	Year 10
Butte Residents (percentages are from resident survey)	4,683 39% have ridden the bus	4,683 39% have ridden the bus	9,365 78% said they'd pay \$10	9,365 78% said they'd pay \$10	10,446 87% said they'd ride a tram	10,446 87% said they'd ride a tram
Regional Residents	7,562 10% ridership	8,667 10% ridership	10,587 =13,612-7,562/2+7,562	12,135 =15,601-8,667/2+8,667	13,612 18% ridership (VC/NC survey)	15,601 18% ridership (VC/NC survey)
Nonresidents # overnight	1,153 .63 of 1,830	2,372 .63 of 3,765	1,920 .63 of 3,048	3,772 .63 of 5,987	3,743 .63 of 5,942	6,177 .63 of 9,805
# drive by	677 .37 of 1,830	1,393 .37 of 3,765	1,128 .37 of 3,048	2,215 .37 of 5,987	2,199 .37 of 5,942	3,628 .37 of 9,805
Total nonresidents	1,830	3,765	3,048	5,987	5,942	9,805
<b>Total Ridership</b>	<b>14,075</b> same ratio of residential to nonresidential in Realistic Year 1	<b>17,115</b> same ratio of residential to nonresidential in Realistic Year 10	<b>23,000</b> similar tram: Sandia Peak	<b>27,487</b> similar tram: Sandia Peak	<b>30,000</b> similar tram: Jay Peak	<b>35,852</b> similar tram: Jay Peak



## Frontage Road Dollars Contributed Calculations

### Frontage Road Access Dollars Contributed to the Community

Market	Pessimistic		Realistic		Optimistic	
	Year 1	Year 10*	Year 1	Year 10*	Year 1	Year 10*
Butte Residents	\$0	\$0	\$0	\$0	\$0	\$0
Regional Residents	\$0	\$0	\$0 – 80,745 =10,587/2.8/2* 42.71	\$0 - 92,551 =12,135/2.8/2* 42.71	\$0 – 207,632 =13,612/2.8* 42.71	\$0 – 237,971 =15,601/2.8* 42.71
Nonresidents # overnight	\$48,280 =1,153/2.6* 108.87	\$99,323 =2,372/206* 108.87	\$80,396 =1,920/206* 108.87	\$157,945 =3,772/206* 108.87	\$156,731 =3,743/206* 108.87	\$258,650 =6,177/206* 108.87
# drive by	\$11,121 =677/2.6* 42.71	\$22,883 =1,393/206* 42.71	\$18,530 =1,128/206* 42.71	\$36,386 =2,215/206* 42.71	\$36,123 =2,199/206* 42.71	\$59,597 =3,628/206* 42.71
<b>Total dollars</b>	<b>\$59,401</b>	<b>\$122,206</b>	<b>\$98,926 to \$179,671</b>	<b>\$194,331 to \$286,882</b>	<b>\$192,854 to \$400,486</b>	<b>\$318,247 to \$556,218</b>

## Interstate Access Estimation Calculations

### Interstate Access

Market	Pessimistic		Realistic		Optimistic	
	Year 1	Year 10	Year 1	Year 10	Year 1	Year 10
Butte Residents (percentages are from resident survey)	4,683 39% have ridden the bus	4,683 39% have ridden the bus	9,365 78% said they'd pay \$10	9,365 78% said they'd pay \$10	10,446 87% said they'd ride a tram	10,446 87% said they'd ride a tram
Regional Residents	7,562 10% ridership	8,667 10% ridership	10,587 =13,612- 7,562/2+7,562	12,135 =15,601- 8,667/2+8,667	13,612 18% ridership (VC/NC survey)	15,601 18% ridership (VC/NC survey)
Nonresidents # overnight	6,312 .63 of 10,019	7,164 .63 of 11,372	10,248 .63 of 16,266	11,407 .63 of 18,107	22,823 .63 of 36,227	25,124 .63 of 39,880
# drive by	3,707 .37 of 10,019	4,208 .37 of 11,372	6,018 .37 of 16,266	6,700 .37 of 18,107	13,404 .37 of 36,227	14,756 .37 of 39,880
Total nonresidents	10,019	11,372	16,266	18,107	36,227	39,880
<b>Total Ridership</b>	<b>22,264</b> same ratio of residential to nonresidential in Realistic Year 1	<b>24,722</b> same ratio of residential to nonresidential in Realistic Year 10	<b>36,218</b> average of 9 MT attractions and % of drive- by traffic	<b>39,607</b> average of 9 MT attractions and % of drive- by traffic	<b>60,285</b> average of 11 MT attractions and % of drive- by traffic	<b>65,927</b> average of 11 MT attractions and % of drive- by traffic

## Interstate Access Dollars Contributed Calculations

### Interstate Access Dollars Contributed to the Community

Market	Pessimistic		Realistic		Optimistic	
	Year 1	Year 10*	Year 1	Year 10*	Year 1	Year 10*
Butte Residents	\$0	\$0	\$0	\$0	\$0	\$0
Regional Residents	\$0	\$0	\$0 – 53,292 =10,587/208*.33 *42.71	\$0 – 61,084 =12,135/2.8*.33 *42.71	\$0 -103,816 =13,612/2.8*.50 *42.71	\$0 - 118,985 =15,601/2.8*.50 *42.71
Nonresidents # overnight	\$264,303 =6,312/206* 108.87	\$299,979 =7,164/206* 108.87	\$429,115 =10,248/206* 108.87	\$477,646 =11,407/206* 108.87	\$955,669 =22,823/206* 108.87	\$1,052,019 =25,124/206* 108.87
# drive by	\$15,224 =3,707/206*.25* 42.71	\$17,281 =4,208/206*.25* 42.71	\$49,429 =6,018/2.6*.50* 42.71	\$55,030 =6,700/206*.50* 42.71	\$165,140 =13,404/2.6*.75 *42.71	\$181,779 =14,756/2.6*.75 *42.71
<b>Total Ridership</b>	<b>\$279,527</b>	<b>\$317,260</b>	<b>\$478,544 to \$531,836</b>	<b>\$532,676 to \$593,760</b>	<b>\$1,120,809 to \$1,224,625</b>	<b>\$1,233,815 to \$1,352,800</b>